

INFORMATION BULLETIN

**DOCUMENTS
OF THE SEVENTH CONGRESS
OF THE HUNGARIAN SOCIALIST WORKERS' PARTY**

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REPORT OF THE CENTRAL COMMITTEE OF THE HUNGARIAN SOCIALIST WORKERS' PARTY TO THE SEVENTH CONGRESS AND THE TASKS OF THE PARTY

by Comrade János Kádár, First Secretary of the Central Committee

Fellow Delegates, Dear Comrades:

Membership meetings and Party Conferences to elect new executives took place in all the Party organizations. The delegates to the Congress were elected in accordance with the Party Rules. It is a pleasure to note that the membership meetings and conferences showed a growing consciousness and sense of responsibility and a great activity. This is indicated by the fact that 90 to 95 per cent of the Party membership attended these meetings and about 30 per cent of the participants, that is 120,000 comrades, took part in the discussions.

The directives were greeted with unanimous approval. Our Party membership gave a unified expression of its approval of the policy pursued during the past three years and of the desire to follow this policy consistently in the future. It may be said, therefore, that the Central Committee and the Party membership are cemented; that there is a strong and unbreakable unity in our Party.

A factor of immense political significance was the hundreds of thousands of non-Party people, workers, peasants and intellectuals, who joined in the socialist emulation organized in honour of the Congress, working alongside the Communists who initiated it. They all made creative contributions to the fulfilment of the objectives of the Party Congress. This in itself is eloquent proof that the ties between the Party and the masses are strong, that the Party and the people form a united, powerful force rallied under the banner of socialism.

The great day of our Congress has arrived. It is an historical day because our Party, the revolutionary vanguard of the Hungarian working class, is a successor to the Hungarian Communist Party and the Hungarian Working People's Party; and our Congress is the seventh in the history of four decades of the Hungarian

Communist movement. That is why our Central Committee decided that this Congress should be called the Seventh Congress, to which it is truly entitled.

It is to the Hungarian people that our Party is responsible for all its activities, for governing the country and for the future of socialism in our country. Together with the other fraternal parties, it is also responsible for the future of the socialist camp and of the international Communist movement. Conscious of this great responsibility, the Central Committee believes that it is our duty to take stock of the fighting experiences of the Party, regardless of persons and accessory circumstances. It is our duty to analyze the situation on the basis of actual facts, and to take carefully account of our forces, weaknesses and future tasks.

Despite all shortcomings in our work, the Central Committee is reporting with a clear conscience to the Congress, because the policy we followed has been substantiated. If you compare the grave situation faced by the Hungarian People's Republic three years ago to our present secure position, then the aggregate of the results may rightly be called an historical victory of the Party, the working class, the Hungarian people and the socialist revolution.

The Central Committee attributes the great achievements to those who supported it during the past three years. Looking back upon the results, we thank the entire Party membership for their confidence in us and for the support they gave us. We thank our non-Party friends who worked together with us and supported us in the Presidential Council, in the Government, in Parliament, the councils, the Patriotic People's Front, in the trade unions, in all mass organizations and mass movements. We are deeply grateful to our working class and all the working people for the ever growing confidence

and support they gave the Central Committee and the Party during the past three years.

On behalf of the Party and our people, our Central Committee expresses heartfelt thanks to all the Communist and Workers' Parties, to the peoples of the socialist countries, to the class-conscious workers of the world and to all progressives for their solidarity and assistance. We realize that we caused considerable concern

to our friends abroad. We know that it was only their solidarity and assistance that enabled our people to defend their power, social achievements and the hope of a better future, against the onslaught of the ruthless enemy. We consider it our sacred duty to prove by our labour that the help extended to the Hungarian people was not given in vain, and that it was not given to a people unworthy of it.

I

Proletarian Internationalism, Hungarian-Soviet Friendship and Peaceful Coexistence of the Two World Systems Are the Basic Principles of Our Foreign Policy

Comrades:

Let me take now one by one the points of the Central Committee's report.

I wish to deal first with our foreign policy and the international situation.

The Hungarian people regained their national independence and sovereignty in the spring of 1945. It has since then accomplished its own power and made great strides ahead in socialist construction. The objective of our foreign policy is to safeguard these great achievements of our people and to ensure the peaceful building of socialism. The fundamental principles of our foreign policy are: Hungarian-Soviet friendship, loyalty to the socialist camp, opposition to imperialism, peaceful coexistence with all countries and peoples irrespective of differing social systems.

The Hungarian people are proud that they may call the Soviet Union their friend—this country of the Seven Year Plan and of Communist construction, the most powerful force of human progress and world peace. The Soviet Union has set itself the task of overtaking and outstripping the most advanced capitalist country in the world, the United States of America, in consumption and production per head of population by 1970. There is not a single serious public figure anywhere who would doubt the reality of these goals. *We, Hungarian working people, wish from the bottom of our hearts to the Soviet people to score a speedy and complete victory in this peaceful competition.*

At the same time we are pleased to hear of a new American slogan, which stresses that the USA should aim to overtake the Soviet Union in modern technology, in the exploration of outer space and in scientific training. We believe that the Soviet Union has the advantage in this competition. In 1956, 36,000 engineers graduated in the Soviet Union and 53,000 in the United States; by 1958 the figures had changed to 35,000 in the USA and 94,000 in the Soviet Union. The Soviet Union can point to many results achieved during the past few years: the

hydroelectric station at Bratsk; atomic power plants; the nuclear-powered ice-breaker *Lenin*; three sputniks launched within two years, and three cosmic rockets, one of which placed the insignia of the Soviet Union on the moon, while the other photographed the side of the moon never observed by man before. The decisive superiority of the Soviet Union in the peaceful competition is its socialist society, which is superior to capitalism and assures the possibility of unlimited development.

Our much cherished Hungarian-Soviet friendship is not of recent origin. It was born in 1917 when wide masses of Hungarian workers, peasants and intellectuals who were prisoners of war in czarist Russia, grasped Lenin's words and the essence of the socialist revolution. Tens of thousands of them joined the Red Army and the Red partisan detachments to fight for the victory of Communism with honour alongside their Soviet brothers and against the Whiteguards and interventionists. This friendship was further cemented during the promulgation and existence of the Hungarian Soviet Republic in 1919. On March 20, 1919, the eve of the establishment of the dictatorship of the proletariat in Hungary, the following was inscribed in the minutes recording the merger of the Communist and Social-Democratic parties:

"To guarantee the rule of the proletariat and to oppose Entente imperialism, the fullest and closest military and spiritual alliance should be concluded with the Russian Soviet Government."

At that time, the Hungarian Soviet Republic was defeated through foreign armed intervention. But the Soviet Government, even in its message of warning directed to the hostile Horthy government in 1941, strove to safeguard the Hungarian people and the country from the sufferings of war and catastrophe. However, the fascist Horthy government, which did not serve the interests of the Hungarian people, was unable to heed the sound advice and joined the anti-Soviet war of Hitler.

The Soviet Union drove the nazi-fascist

armies out of Hungarian territory and, at the cost of the lives of its sons, liberated the Hungarian people from the yoke of the invaders. That is why our people consider the Soviet Union their liberator and celebrate April 4th, the day when the Soviet Army drove the last Hitlerite invader from the country, as their biggest national holiday.

As long as a conscious and decent man lives in this country, he will remember with gratitude the assistance extended in 1956 at the request of the Revolutionary Workers' and Peasants' Government by the Soviet Union to the Hungarian people who were menaced by counter-revolution and the imperialists. This assistance made it possible to prevent the restoration of capitalism and fascism in Hungary. It also kept the imperialists from turning our country into a base for military operations and a battlefield.

During the past fifteen years, the Soviet Union has twice proved, through shedding the blood of its sons, its friendship and internationalism with regard to the Hungarian people. But in the past fifteen years it also assisted the Hungarian people in a thousand different ways to undo the war damages and to build socialism. Even a few years ago the enemies of the Hungarian and Soviet peoples slandered the Soviet Union by alleging she was "exploiting" our country. The stupidity of this calumny is so obvious that by now even the enemy admits that Hungary benefits the most from Soviet-Hungarian trade relations.

In its economic relations with Hungary and the other socialist countries, the Soviet Union does not proceed from the principle of trade gain but, as the elder and stronger socialist country, proffers selfless and liberal brotherly help. More than 82 per cent of the goods imported in 1958 by Hungary from the Soviet Union through foreign trade channels were raw materials and semi-finished goods. Soviet shipments cover the major part of the imported raw material requirements of the Hungarian economy, especially in iron ore, oil and timber. At the same time more than 58 per cent of the goods exported in 1958 by Hungary to the Soviet Union were products of the engineering and precision mechanics. This is how a great socialist power, the Soviet Union, transacts business with a smaller socialist country, the Hungarian People's Republic.

At no time has any capitalist great power in the world developed trade with a small nation by supplying it mainly with raw materials on advantageous terms, purchasing from it chiefly finished industrial products. That would run counter to the very essence of capitalism. Capitalism, in addition to exploiting its own people, also exploits other peoples. The former is called "freedom of initiative and enterprise," and the

latter "freedom of trade," while the whole is summed up as the "free world."

Hungarian-Soviet friendship is stable and enduring. This friendship is the source of strength, the bulwark and guarantee of prosperity for the Hungarian people. To strengthen Hungarian-Soviet friendship ceaselessly, to preserve it as an eternal and unbreakable bond of friendship—that is the paramount task of foreign policy of our Party and Government.

Comrades:

We are advancing in close unity and friendship with all the countries of the socialist camp: the Soviet Union, the Chinese People's Republic, the Albanian People's Republic, the Bulgarian People's Republic, the Czechoslovak Republic, the Korean People's Democratic Republic, the Mongolian People's Republic, the Polish People's Republic, the Rumanian People's Republic and the Democratic Republic of Vietnam.

We are pleased that every country of the socialist camp is working with great zeal, attaining fresh and splendid results and marching onward along the path of socialism. The political aspect of the world was significantly changed by the fact that ten years ago the anti-imperialist war of liberation triumphed in China, followed by the victory of the socialist revolution. That country with a population of 650 million rose from the status of a feudal and semi-colonial country—which had been the sphere of exploitation by international imperialism—to the status of a socialist world power. Its example, its matchless speed of progress, is both stirring and inspiring. The example of China too testifies to the superiority of the socialist system and the boundless creative might of a people who have got rid of their oppressors. Fighting and overcoming enormous difficulties, China last year produced two-and-a-half times as much grain, nine times as much coal, nineteen times as much oil and forty times as much pig-iron as in 1949.

The solid and everlasting foundation of the unity of the socialist camp lies in the common socio-political system, the common road of building socialism, a common ideology and joint efforts to safeguard peace. Our cooperation within the camp is regulated not only by full equality, territorial integrity, respect for state independence and sovereignty, and non-interference in internal affairs, but, beyond all this, by the principle of mutual assistance. This was well put by Comrade Khrushchov when he said in Berlin that the principle of "one for all and all for one" prevails in our camp.

The socialist camp, whose hub and leading force is the Soviet Union, is the main force of progress and peace in the world today. The Hungarian People's Republic is an equal and respected member of the socialist camp. *Loyal*

service to the vital interests of our people requires that one of the main tasks of our foreign policy continue to be to strengthen the power and unity of the socialist camp, and to repel decisively all attempts against it.

Comrades:

Our people want us to strive to establish good relations with all neighbouring countries and peoples. In addition to the Soviet Union—and I have already spoken in detail about our good and friendly relations with that country—the fraternal Czechoslovak Republic and the Rumanian People's Republic are direct neighbours of ours. We welcome the outstanding successes these countries have accomplished in building socialism, and the fact that our steadily flourishing friendship with these two people's states is firmly based upon the most intimate understanding and proletarian internationalism. Yugoslavia is also a neighbour of ours. Our interstate relations with Yugoslavia have gradually become normalized since August 1953. These relations deteriorated in 1956-58; then, as a result of slow improvement, they reached a point which today may be considered normal in the sphere of diplomatic, state and economic relations, as well as in some social contacts such as sports. We believe it is possible, despite the known ideological differences—to which I shall return later—to maintain normal, good-neighbourly relations between the two countries. We are striving for this, because we are convinced that this is in the common interests of the peoples of Yugoslavia and Hungary. A factor of the favourable trend in good-neighbourly relations is the positive stand taken by the Yugoslav Government on several important international issues, thereby promoting the struggle for peace, but at the same time this struggle is aggravated by the fact that they have been attacking our friends, for instance, the Chinese People's Republic and the Albanian People's Republic recently.

Our relations with our other neighbour, Austria, are, to our regret, not satisfactory at present. We believe there is no obstacle in principle to the development of good relations between the two countries, despite the differing internal social systems. The improvement of relations is hampered by the fact that the Austrian Government allows its policy, with respect to relations between the two states, to be influenced by the intrigues of Western quarters hostile to the Hungarian People's Republic. Another fact gravely disturbing our relations is that the Austrian Government still permits espionage agencies and Hungarian fascist organizations scheming against the Hungarian People's Republic to operate and run amuck in Austria. Guided by the conviction that it is in the common interests of the peoples of the Hungarian People's

Republic and Austria, we are striving to establish genuine good relations which will be mutually advantageous.

There is no real conflict of interests between the Hungarian People's Republic and the neutral states of Europe, namely Austria, Sweden and Switzerland. On the contrary. To preserve peace, to promote peaceful coexistence and to expand relations between the countries is of common interest. We are, therefore, striving to improve our relations with them. It is our opinion that the neutral countries play a certain positive role, and may do so in the future to a greater extent, in advancing peaceful coexistence among the countries and peoples.

Comrades:

The fact that during the past ten to fifteen years a number of peoples, including those of India, Indonesia, Iraq and the United Arab Republic, have thrown off the yoke of imperialism and taken the path of independent national progress, is considered by mankind as an outstanding event of our epoch. Our relations with them are good and we are striving to improve them further. We stand on a common front against imperialism; we wish to broaden our economic and cultural ties. The Hungarian People's Republic can contribute to some extent to the development of the independent industry of the countries liberated from colonialism.

We join in full solidarity the peoples now struggling for liberation from their colonial plight. We condemn the war of terror against the people of Algeria, and support their struggle for self-determination as an absolutely legitimate demand. The Hungarian people indignantly condemn the imperialist, colonial oppression and terror in Taiwan—an integral part of the Chinese People's Republic—South Korea, South Vietnam, South Africa and other countries. *We are convinced that imperialism can no longer halt the struggle for liberation and independence, and that the righteous struggle of the colonial peoples fighting for liberation will be triumphant.*

Comrades:

Relations between our People's Republic and the countries and governments of the leading NATO powers are not satisfactory. We have serious differences mainly with the Government of the United States of America. The US Government holds us responsible for the abnormal relations, stating that a few months ago we placed restrictions upon the freedom of movement of its diplomats stationed in Budapest. This is true inasmuch as our Ministry for Foreign Affairs obliged the American diplomats to a prior announcement of their trips beyond the limits of the capital.

The fostering and improving of ties between the sending and the receiving state has been an

undisputed task of diplomatic missions for centuries. During the last two years the American diplomats functioning in Budapest—presumably following the intentions of their Government—manifested by all means that they considered it their task not to improve our relations but rather to make them impossible. That being so, they cannot make anyone believe that they intended to normalize US-Hungarian relations on the scene of their adventurous jaunts near military airports and training fields and the Soviet-Hungarian border.

We, on our part, have serious objections. A considerable amount of the annual \$ 125 million allocated by the US Congress is earmarked for subversive activity against the Hungarian People's Republic. Some 5,000 Hungarians who had fled their country were enlisted in the US Army during the last two years. The so-called Radio Free Europe, which is inciting against the Hungarian People's Republic, is sponsored by the same quarters who pursue the unparalleled practice of official delegates of the US Government challenging the credentials of the official delegates of the Hungarian People's Republic in the United Nations and other international organizations, while diplomatic relations exist between our countries.

Despite all these facts, we sincerely desire to establish normal relations between the USA and the Hungarian People's Republic, because this is in accord with the interests of the peoples of both countries. We respect the talented American people who have developed a high stage of civilization. We greet the steps taken by those American public figures who have made some contribution recently to the settlement of disputed issues through negotiations and to a certain lessening of international tension. The normalization of relations between the two countries requires that the leading quarters of the USA review and correct their outdated, unfriendly and pointless policy towards the Hungarian People's Republic, which they have been maintaining out of false considerations of prestige.

Essentially it is necessary for the US Government to respect the principle of equality, and to renounce its fruitless attempts at interference in the internal affairs of the Hungarian People's Republic. We believe that, on this basis, it will not be difficult to find the ways and means of normalizing Hungarian-US relations. Our Government is ready to take any expedient step towards this end.

We condemn the foreign policy pursued by the Government of the German Federal Republic. Chancellor Adenauer ostensibly talks about peace while in Hungary, as everywhere in the world, it is well known that behind these phrases about peace a forced armament drive

is proceeding in Western Germany and they are striving to maintain cold war at all costs.

The hostile attitude of the German Federal Republic towards the German Democratic Republic is a matter of common knowledge. The aggressive and revanchist incitement going on around the settlement of the Berlin question, the Oder-Neisse frontier, the Sudetenland and other problems is an everyday occurrence. They keep on organizing "comradely" get-togethers of old-time nazis and revenge-seeking rallies of "Sudeten-Germans" and "Danube-Swabians." We know that Hungarian war criminals, various Hungarian fascist groups and their press are granted free scope of activity and financial support in Western Germany.

Everybody, even the Government of the German Federal Republic, must realize that the peoples of Europe—including the Hungarian people—are fed up with all the sufferings which German militarism and its aggressive expansionist ambitions have caused in the course of history. *In the face of the aggressive spirit of Western Germany, the Hungarian people are in full solidarity with the peace policy of the German Democratic Republic. The aspirations of the Hungarian People's Republic and of the first German workers' and peasants' state, the German Democratic Republic, fully coincide. We welcome the great successes they have achieved in building socialism. We are pleased to note how rapidly they are advancing, and that shortly they will overtake and surpass the German Federal Republic with respect to per capita output and consumption. We wish the working people of the German Democratic Republic new successes in building socialism, in strengthening their state, and in their policy aimed at preserving peace and the rapprochement of the two German states.*

Comrades:

Three years ago, at a time of grave transitional difficulties, the international position of our People's Republic became complicated and difficult.

A campaign of slander was unleashed against us in the United Nations and other international organizations. Reactionary US quarters wanted to press interference in the internal affairs of our country through the resolutions passed by the UN against us. The campaign of incitement, rehashed every year around the resolution, always served an anti-Soviet and cold-war objective. We did not recognize this unlawful resolution which runs counter to the UN Charter, and shall not recognize it in the future either.

The NATO diplomats in Budapest boycotted our official functions during two years. The Western capitalist press generously subsidized the propaganda campaigns launched against us and renewed them from time to time. At that

time we did not pay much attention to them but kept on strengthening our state and our system. Parallel with the internal strengthening of our People's Republic, its international position also became strong. The boycott and the slander campaign of the capitalists belong in part to the past. What is most important is that they were exposed in front of our people and discredited in the eyes of Hungarian public opinion. Even our enemies are compelled to take cognizance of the consolidation and strengthening of our People's Republic. And the friends of the Hungarian People's Republic, who demonstrated their solidarity at the gravest and most serious time, appreciate our achievements and respect our people.

We attribute the consolidation of our international position to the fact that we have consistently stood up against all imperialist attempts at intervention, and that our people approve and support our foreign policy. This obliges us to continue to strengthen our international position, in the future too, on the basis of the policy which we have pursued so far.

Comrades:

A certain easing of international tension came about during the past two or three years. This change is decisively due to the growth of the forces of the Soviet Union, the socialist camp, the international labour movement, the world peace movement, to the policy of peace. However, the anti-peace forces, which are active and effective in the capitalist countries and in international affairs, are no insignificant factor. The people, therefore, must continue to carry on a consistent struggle against the anti-peace forces and push them back even further.

The Geneva Conference of Foreign Ministers, Macmillan's visit to Moscow, the mutual invitations extended by Khrushchov and Eisenhower were events militating in favour of the liquidation of the cold war. Comrade Khrushchov's visit to the United States was an outstanding and significant event, which was greeted by peace-loving people throughout the world. *Comrade Khrushchov is being regarded far and wide—even by people who are a long way from Communism—as the man with the greatest personal merit in melting the ice of the cold war. We are happy that he is here with us and wholeheartedly congratulate him on the success of his US tour.*

The proposal made by the Soviet Union to the United Nations for complete disarmament was a momentous event. It is heartening that the great majority of the UN General Assembly approved this proposal and referred it by a unanimous vote, on a joint US-Soviet motion, to the Ten-Power Disarmament Commission. The understanding arrived at by Comrade Khrushchov and President Eisenhower, that

disputed international issues should be settled through negotiations, is of great importance.

We believe that it is the task of the Hungarian People's Republic to promote effectively, in unison with the Soviet Union and all countries of the socialist camp, the realization of our peaceful objectives. In the relations among countries and peoples, we support full implementation of the principle of peaceful coexistence. We support the proposals for ending nuclear weapons tests, establishing atom-free zones, prohibiting the use of nuclear weapons and destroying nuclear weapon stockpiles. We support the proposals for settling the Berlin question and concluding a Peace Treaty with Germany. We support the Soviet proposal for complete disarmament, as well as the recommendation that, until this is realizable, interim measures should be taken, such as the reduction of armed forces, the abolition of military bases abroad and the mutual withdrawal of armies stationed abroad.

The preservation of peace has become a paramount problem of mankind in these days of accumulation and production of terrible weapons of mass destruction. Public opinion in every country is urging negotiations and agreement. People desire the annihilation of weapons of mass destruction and complete disarmament, because they wish to live in peace. *The Hungarian people desire nothing more than to be able to utilize their resources for the grandiose aims of peaceful construction.*

Our conception of peaceful coexistence is the constant broadening of international relations. At present we are expanding our economic ties with forty-eight countries within the framework of interstate agreements. We are striving to extend this network to include other countries too. It is a well-known fact that we are realizing the principle of the international economic division of labour, specialization and cooperation in our relations with the socialist countries united in the Council of Mutual Economic Aid. We are, moreover, of the opinion that international specialization and cooperation are conceivable and realizable also in economic relations between socialist and capitalist countries. We possess industrial and agricultural products which are bought, and may be bought in still greater quantities in the future, by capitalist countries. At the same time it would be senseless to manufacture at home, in small series and at great expense, such articles as are produced at smaller cost and in appropriate quality in the capitalist countries. The precondition for the development of such economic ties is obviously the disappearance of the restrictive and disturbing cold-war factors from the economic relations between the socialist and capitalist countries.

We believe that the peoples must live together in peace and, beyond that, must expand their

economic ties, trade, cultural exchange, exchange of scientific views, sport contacts and all relations which may advance the peaceful coexistence of the countries and peoples. *We are*

convinced that peaceful coexistence, a principle which has been adopted by the great majority of mankind, will sooner or later overcome all obstacles and will triumph.

II

The Lessons of the Suppression of the Counter-revolution Consolidation of the Legal Order of the Hungarian People's Republic

Comrades:

I shall now proceed to the discussion of the internal political situation of the Hungarian People's Republic.

The development of the internal political situation during the past three years took a sound direction and resulted in the definite consolidation of our system. The struggle against the counter-revolution tempered and rallied the forces of socialism. The masses developed politically and gained considerable experiences in the class struggle. In the course of that struggle the national unity of our people was further strengthened on the basis of the principles of socialism. This new national unity, arising and developing in the course of historical progress, is stronger today than ever before.

The proper evaluation of the development of the internal political situation calls for a brief outline of the class character and the rise of our state and power.

The Hungarian working class, allied with the peasantry and other progressive strata of society, defeated the bourgeoisie in political struggle between 1945 and 1948, established its power and state, the Hungarian People's Republic, based upon the chief principle that all power belongs to the working people.

The history of the fifteen years which have elapsed since Liberation is the history of the conclusion of the democratic revolution, the accomplishment of the dictatorship of the proletariat and the victory of the socialist revolution. All achievements of our people have been reached under the leadership of the working class guided by its revolutionary Party. Under the leadership of the working class, our people liquidated the feudal vestiges and expropriated the large estates for the benefit of the working peasants. The big industries, transportation, the banks and wholesale trade became the property of the working people. The building of socialism began in our country and scored outstanding results in line with the aims of the dictatorship of the proletariat. The dictatorship of the proletariat, as is known to all, is not a goal in itself, but according to Lenin its object is:

"... to build socialism, to abolish the division of society into classes, to make all members of

society working people, to remove the basis for any kind of exploitation of man by man."

There was in our country a workers' power, the dictatorship of the proletariat, and socialism was being built when the well-known events occurred in October 1956. Our Party carried out a thorough investigation touching upon all important phases of the events in order to disclose the reasons for the counter-revolution, the incidental factors and the forces at play. Our Central Committee established the following:

The armed uprising unleashed in Budapest on October 23, 1956, and all the events which disrupted the state and social order of the Hungarian People's Republic were directed against the power of the working class, the people's state and the socialist achievements of the Hungarian people; therefore, they were of a bourgeois counter-revolutionary character.

This fact is not altered by the otherwise regrettable circumstance that the inveterate enemies and conscious traitors of the Hungarian People's Republic were not alone in the counter-revolutionary actions and the events preceding them. Also participating were a good number of people who lacked political judgement, were confused or misled and were not conscious of the counter-revolutionary character of their deeds.

As regards the causes leading to the events, the factors involved which affected their course, the following conclusion has been reached:

The mistakes of Rákosi and his group played a decisive role. These were especially expressed in overlooking the conditions and special features of the country, as a result of which after a while they became incapable of applying properly the major international requirements of building socialism in our country. They found expression, moreover, in violations of Party democracy and socialist legality, as well as in distortions of economic policy. The graveness and consistency of these mistakes, and the inability to overcome the errors which were disclosed and recognized weakened the dictatorship of the proletariat: they led to a deep-going crisis in the life of the Party and a grave situation in governing the country. All told, a favourable condition was

created for the class enemy to precipitate the counter-revolution.

The unprecedented treason committed by Imre Nagy and his group played a major role. These people traversed the path beginning with forming a faction within the Party, through secret and open alliance with the bourgeoisie and the imperialists, to class betrayal in renouncing the workers' power and treason by urging imperialist intervention. They established for the counter-revolution a legal organization out of certain Party organizations, the Petöfi Club and the Writers' Association of that time. They helped in the disguised rallying and deployment of the counter-revolutionary forces. They disrupted and paralyzed the forces of the socialist revolution and the people's state, and opened the road to power for the counter-revolution.

The major domestic force of the counter-revolution was the multitude of the former landowning and capitalist class, which had been stripped of their political power, privileges and economic basis, and which aimed with their reactionary hangers-on to restore capitalism and fascism. These people belonging to the former exploiting class, who retained a part of their ideological and political influence after their loss of power and who in their plans for restoration were the allies and supporters of international imperialism, quickly reorganized and mobilized their forces.

Within a few days' time they organized 40 political parties claiming national character. They included the three former coalition parties reorganized on a counter-revolutionary basis as well as the Arrow-cross fascist party which came out into the open in two counties. In addition to their parties, the former ruling classes utilized for their political aims the so-called "workers' councils" and "revolutionary" committees based on a counter-revolutionary platform.

The strongest factor in the counter-revolutionary uprising precipitated in Hungary was international imperialism headed by reactionary US quarters, which had supported by all means all sorts of enemies of the Hungarian people from the first day of Liberation. The imperialists had encouraged, incited and organized the counter-revolutionary uprising for many years until they finally precipitated it through their agents and political allies, Imre Nagy and his group, and the domestic bourgeois counter-revolutionary forces. Thus two allied forces, those of internal counter-revolution and of international imperialism, came out against the Hungarian People's Republic.

The Central Committee of our Party presented a comprehensive summary of its Marxist analysis and standpoint on the counter-revolution of October 1956 for the first time in its resolution of December 1956. In this connection we wish to point to three important facts at this Congress.

Firstly: All our statements made early in

November 1956 and thereafter with regard to the counter-revolutionary nature of the events proved to be correct. The facts disclosed later merely confirmed and verified these statements.

Secondly: The Hungarian working people have accepted and agreed with the evaluation given by our Party regarding the causes and motive forces of the counter-revolution.

Thirdly: Our evaluation has been accepted and approved by the entire international Communist movement and progressive people throughout the world.

Comrades:

All domestic enemies of the Party and the People's Republic united in the counter-revolutionary uprising. This was symbolized by its leaders: Mindszenty; Dezső P. Ábrahám, the counter-revolutionary prime minister of Horthy in 1919; Sándor Knob, former director of the National Association of Manufacturers; Bornemissza, former Horthyite minister; Count Khuen-Héderváry, ex-Under-Secretary of Horthy; Anna Kéthly, Béla Király, Maléter and Imre Nagy. The group of émigrés, Ferenc Nagy and his associates, financed by the United States Government and sent to Vienna for the occasion, closely cooperated with them.

Most of these individuals were known capitalists, infamous reactionaries and traitors. They pushed to the fore Imre Nagy—who at that time was still not exposed—and kept still for quite a while about their real aims. The fact that in our days the most vicious enemies of socialism and of the socialist revolution can no longer come out openly before the masses with their real objectives, but are compelled to disguise them with "socialist," "democratic" and "revolutionary" phrases, is a tribute to the moral greatness of the socialist idea and the unalterable attachment of the masses to socialism. The counter-revolutionary forces, while speechifying about socialism, democracy, freedom and revolution, launched armed attacks against the institutions of the Hungarian People's Republic and murdered hundreds of Communists and progressives loyal to the People's Republic.

Our Party, the Hungarian Socialist Workers' Party, acted according to its duty during the grave situation. Imbued with a sense of responsibility for the destiny of the people, the Hungarian Communists set up the new revolutionary centre, organized the leading force in the struggle, the new Central Committee, formed the Revolutionary Workers' and Peasants' Government, which requested assistance from the Soviet Union, our loyal and best friend and our ally.

Our new Central Committee and the Revolutionary Workers' and Peasants' Government received their guide to action from Lenin. Speaking about the policy of the revolutionary Party of the working class, Lenin stated: "The

best policy is the policy based on principle." Lenin said about the dictatorship of the proletariat:

"This dictatorship of the proletariat implies the ruthlessly severe, swift and resolute use of force to crush the resistance of the exploiters, of the capitalists, landlords and their underlings. He who does not understand that, is not a revolutionary and must be removed from the post of leader or adviser of the proletariat."

The problems which were posed at that time by history were grave and complicated. We were attacked by deadly enemies with deluded and misled people on their side. One could carry on in such a situation only with a firm policy based upon principle and determination.

We were faced with the problem of whether or not to remain silent about the fact that treason had been committed, that Imre Nagy and his group had gone over to the enemy camp. There could be but one answer: *A complete and radical break with the traitors; the frank disclosure of the situation to the masses; the exposure and annihilation of the traitors.*

The problem arose of whether we should negotiate with those who were attacking us with weapons, and analyze their social descent and intentions. There could be but one answer: *To aim our weapons at those who had taken up arms against the People's Republic or any of its institutions.*

The question arose of who should be oppressed and persecuted and who should be given freedom and democracy? One could only answer that *freedom and democracy should be given to the militants of the socialist revolution and to the working people; while the counter-revolutionaries, the bourgeoisie aiming at restoration and their sundry toadies should be suppressed and persecuted.*

It is obvious that the fomenting of nationalism and national hatred could be fought with unequivocal and sincere loyalty to the People's Republic, with the ideas of true patriotism and proletarian internationalism.

The counter-revolutionaries took a stand of "neutrality" which aimed to isolate our country and turn it over to the imperialists. We had to state unequivocally that we would remain loyal to the Warsaw Treaty as long as it would be necessary and *we would always march together with the socialist camp.*

A clear-cut answer had to be given to the question concerning the basis of the political system of our country. The answer was that the political system of a socialist country could not be based on "workers' councils" and "revolutionary" committees under counter-revolutionary leadership. We are basing our political system on the Marxist-Leninist Party leading the workers' and peasants' alliance, on the trade unions, the Patriotic People's Front and the

other mass organizations, and we reject the system of workers' councils. We based local state power on the councils, the tested local organizations of popular power, instead of on all sorts of counter-revolutionary committees.

The question was posed whether there should be a one-party or multi-party system in the country. The leading role of the Party of the working class is a question of principle, a general law for the people's democratic system as a type of the dictatorship of the proletariat. The question of one-party or multi-party system is not a principle derived from a general law but a practical political problem to be settled on the basis of the political and social relations within a given country. It became clear during the counter-revolutionary uprising that the multi-party system under our conditions would bring grist to the mill of the counter-revolution—hence we rejected it.

Instead of the multi-party system we have developed the Patriotic People's Front led by the Party. The Patriotic People's Front is fit for and capable of rallying in political unity the Communists and non-Party people who agree with the fundamental objectives such as building socialism, defending the sovereignty and independence of the country, strengthening the People's Republic and safeguarding peace. The positive experiences of the last three years show that *the Patriotic People's Front led by the Party is a political movement capable of creative work which is rallying non-Party public figures alongside the Communists, irrespective of their former party affiliation or of the fact that they may never have belonged to any party before.*

The issue of punishing or pardoning those guilty in the counter-revolution was a long-debated question. The attitude of our Party was and is that the vital interests of the people required the punishment of the initiators, leaders and organizers of the counter-revolutionary uprising and of those who had committed murder. We had to pardon those people, however, who had not committed capital crimes, who had been deceived and misled. The judicial organs of the Hungarian People's Republic acted accordingly, and we may state that this corresponded to the sense of justice of the people who approved and supported this penal policy.

The economic situation also raised a number of equally knotty problems. The answer of our Party was to take a stand against demagoguery and prevent the handing out of unearned money; production had to be organized and labour and wage discipline established.

To take a correct stand in principle on these problems, or rather to solve them properly, it was necessary for the Party to break decisively with the enemy, the opportunists and the traitors, on the one hand, and, on the other, with those sectarian

elements who do not trust the masses and are afraid to rely on them.

The Party had to face two highly important tasks, simultaneously and in a very difficult situation: To break away from the former errors and to settle scores with the counter-revolution. Our Party proved to be capable of this and solved both tasks simultaneously. The courageous, frank and consistent Marxist-Leninist stand and policy were fruitful. The Party must keep in mind all the lessons and experiences of the counter-revolutionary uprising for a long time to come, but as far as the counter-revolution is concerned, we can state that it was defeated in all fields and now belongs to the past.

The counter-revolutionary uprising of 1956 remains a dark chapter in the history of our people. However, the fact that hardly three years later we can state that the counter-revolution belongs to history, is testimony to the great political experiences gained by our people; it testifies to the determination and unity of the people in overcoming the troubles and difficulties caused by the counter-revolution—to the fact that our people was able to bury the counter-revolution.

The victory of the forces of the socialist revolution over the forces of the counter-revolution was splendidly demonstrated by the meetings organized in Budapest in March 1957, the unforgettable 1957 May Day rally in Budapest and the vast workers' and peasants' meeting held at Kisújszállás on August 20, 1957. The visit paid during the spring of 1958 to Hungary by the Soviet Party and Government delegation headed by Comrade Khrushchov was an outstanding victory of Soviet-Hungarian friendship and proletarian internationalism over nationalism and chauvinism.

At the May 9, 1957, meeting of the Hungarian Parliament a unanimous vote of confidence was given to the Revolutionary Workers' and Peasants' Government. That vote of confidence was the constitutional and legal condemnation of the counter-revolutionary uprising and approval and support of the policy of our Central Committee and Government. The parliamentary and council elections held on November 16, 1958, were an outstanding political victory of the Hungarian people building socialism. In those elections the people elected 338 MPs and 106,000 council members to the local organs of state power. In those elections 98.4 per cent of those entitled to vote cast their ballots, and 99.6 per cent of the votes were cast for the candidates of the Patriotic People's Front supported by our Party.

The internal political situation of the Hungarian People's Republic is characterized by tranquillity, consolidation and rapid progress. The people's power is stronger than before the counter-revolutionary uprising; the foundations of socialism have broadened considerably, and socialist construction

is proceeding in an orderly and vigorous fashion. This could not be possible without the political support and the devoted, diligent work of the masses.

This fact is reflected to some extent even in the strongly biased Western press. They still print, of course, reports such as the one in the September 13, 1959, issue of *Der Bund*. This paper prints a dispatch from its Vienna correspondent, alleging that there has been a shortage of bread recently in Hungary, and that because of the lack of bread the population demonstrated at Salgótarján in spring.

This news item appeared in the October 8 issue of the *Express*: "The Hungarians always give expression to their desire to belong to the West . . . one must see the penitent and humble expression of the woman who says, 'Mind you, sir, it is only now that we are beginning to see starved skirts.'"

Foreign dispatches of such credulity and standard are taken seriously only by the editors of our comic papers. Alongside such fossil propaganda, the Western capitalist press is also printing more realistic reports which come closer to the truth. Thus one can find the following in the August 13 issue of *Le Monde*: "The Hungarian leaders are optimistic. The economic situation has improved noticeably in two and a half years. Factories are producing at full capacity. Over 40 per cent of the land is state farms or cooperative farms, and the active opposition has been driven into inability."

Or take the September 7 issue of *Reynold's News*: "The 1956 events left but few marks in Budapest. One can find bullet pock marks on some walls but the people do not show the slightest trace of unhappiness or oppression. Budapest is a gay capital; the clothing standard of the population is extremely high. The tenth anniversary of the Constitution was celebrated as a public holiday."

After all, a realistic view will surely do good to those who are not too fond of the Hungarian People's Republic.

These people, in the face of the visible strengthening of the Hungarian People's Republic, are deluding themselves with various daydreams. They say that "there are differences in the Party." There is unity in our Party, and if our enemies are waiting for serious differences in our Party, they will have to wait for a long, long time. Other reactionaries have reached the point of insanity where they pin their hopes on a war. People who "hope" for war have really arrived at a point of insanity where they are a danger to the public and to themselves. If such people are at all capable of listening to reason, we can only say that we have every reason to believe that even the cold war will be done away with; but, come what may, there will never again be capitalism and fascism in Hungary. The sooner they get rid of such ideas, the better

it will be for them too. Then there are other reactionaries who say that "Khrushchov and Eisenhower made a deal." We know that Comrade Khrushchov and President Eisenhower have arrived at an understanding on a number of issues; and we hope and trust that they will see eye to eye on many more issues in the future. But we feel that the reactionary whose distorted logic makes him conclude that one of the Khrushchov-Eisenhower meetings will bring about, in one way or another, a capitalist-fascist Hungary, to say the least, is seriously mistaken. Let him think of the proverb: "The hungry dog dreams of bone." Other reactionaries set their hopes on the "withdrawal of Soviet troops from Hungary." This problem is worthy of a few serious words. Soviet troops are not in Hungary for internal political reasons, but solely because of unsettled international problems. In accord with the Soviet Government, the governments united in the Warsaw Treaty organization and with all socialist governments, we stand for negotiations on the simultaneous and mutual withdrawal of troops stationed abroad. At present there are still open threats aimed at the People's Democracies.

We have said clearly more than once: *Soviet troops will be stationed in Hungary as long as it is required by the international situation.* As concerns the speculations about what will happen once the Soviet troops have withdrawn from Hungary, we may say that even this will be of no help to the reactionaries. The forces and supporters of the socialist revolution in Hungary have learned a lot, and they are able to defend the system against the enemy from within. If the reactionaries choose to fight again, we shall not shun it, because the Hungarian people are strong enough and still have plenty of accounts to settle with the counter-revolutionaries.

Comrades:

We make use of our experiences. We shall not repeat the mistakes, we shall forget neither the treason nor the class enemy nor the imperialists. We shall continue to strengthen our people's state and our system on the basis of our experiences.

We shall further strengthen the major political foundation of our state, the alliance of the working class and the peasantry. We strengthen the alliance of the working class with the other strata of the working people too. Relying on the strength of the Patriotic People's Front movement, we shall continue to broaden the unity of all the creative forces of the nation.

We shall further develop the democracy of our system. We apply the principle of democratic centralism in state life as well. The rights of law-abiding citizens will be augmented. Likewise the rights of autonomy of the local organs of state power will also expand, while we shall

maintain and strengthen central state guidance on fundamental questions.

The organization of our People's Republic, laid down by the Constitution, that is, the system of Parliament and local councils, has stood the test. *The counter-revolutionary attack of 1956 was an historical test for Parliament and the local councils, and they stood this historical test with flying colours.* They proved to be the worthy embodiment and executors of popular power.

During the past three years we developed further the work of Parliament and the local councils. Their political, economic and cultural role has grown, their scope of activity widened, and it is our aim to widen this still further. The rational widening of the authority of the local councils is at the same time an effective weapon against bureaucracy which we inherited from the bourgeoisie and which unfortunately has not yet been overcome by our system.

We do not intend to increase the armed forces of the country, including the army, the police and the border guards. At the same time, they must be qualitatively developed, that is, modernized, as long as this is called for by the situation. The People's Army, the border guard, the police, the organs of home affairs and of the judiciary were organized and regenerated during the struggle against the counter-revolution. They acquired a standing merit in that struggle, and our people are sure they will always make good in face of the tasks incumbent on them.

It is a special merit of the organs of home affairs and the judiciary that during the past three years they fully restored socialist legality under difficult conditions in our country. This worked two ways: no crime was left unpunished and no innocent person was convicted. The essence of our penal policy is defence of the rule of law taken in this sense, and its enforcement under all circumstances.

As regards the punishment of the counter-revolutionaries, there has been no understanding between us and several of our Western critics. But it is noteworthy that during the past few years not a single punishment has been meted out where the offence forming the basis of conviction was debatable. Of course, a different problem—and a subject of further debate—is the fact that the offence involved is a criminal act under the laws of our country, while, according to our Western critics, it is an act of some sort of "heroism." We shall continue to act in accordance with the provisions of the Constitution of the Hungarian People's Republic and of our laws, should anyone venture to commit a criminal act against the state and lift a hand against our system.

Speaking about our administrative and armed forces, we should say something about the

workers' militia. *The workers' militia was organized in the struggle against the counter-revolution. Those workers, peasants and intellectuals who, after their day's work, are standing guard over the socialist achievements of the people without any material compensation whatsoever, deserve the fullest respect of the Party and the people.*

Comrades:

We may state that during the past three years we succeeded in fully restoring the legal internal

order of the Hungarian People's Republic. The internal political situation is good and is developing favourably. Public order and public affairs are such in our country as may be envied by any Western capitalist country. This is due to the unity of the Party, its correct policy, the cohesion of the Party and the people and to the national unification led by the working class. *The internal strength of our system and our society lies in the ability of the Party, as the leading force, to fulfil its tasks while enjoying the support of the people.*

III

Development of Our National Economy and Our Further Tasks

Comrades:

We may say that the economic situation in our country is good. During the economic activities of the past fifteen years, the liberated Hungarian people had to overcome the backwardness and all the difficulties inherited from capitalism. Owing to the previous semi-feudal and semi-colonial status of the country, the structure of the economy was poor. Our industry was obsolete and agriculture extremely backward. The Second World War caused a damage of 300,000 million forints to the Hungarian economy. That is, calculated at the then prevailing standard, it wiped out the national income of five years, all the fruits of five years' labour of our people. Taking the path of democratic and socialist progress, our people repaired the war damages and restored the national economy within a relatively short time. By 1949 the level of 1938, the last year of peace, was reached and somewhat surpassed with respect to production and the living standard as well.

Since Liberation, tremendous successes have been achieved in economic construction. Industrial production has grown to three and a half times the level of 1938. Since 1949 our people have built hundreds of large new industrial enterprises. New socialist industrial towns were built during this period, such as Sztálinváros with a population of 34,000; Komló with 21,000 inhabitants; and Kazincbarcika with 13,000.

Considering the production level of agriculture there has been an increase of only 15 per cent, which is decisively due to obsolete farming on scattered plots of land. Nevertheless, there are several indications of a certain development in agriculture. The tractor park which in 1935 had only 7,000 tractors increased to 31,000 by 1959. The utilization of fertilizer, which in 1938 was only 13.5 kilograms per hold¹, rose to 77 kilograms per hold in 1959.

The standard of living rose considerably during the ten years, despite the stoppage and a certain decline observed in the case of certain labour categories in 1951-53.

The hitch in the rise in the living standard between 1951 and 1953 could have been avoided, and economic development could have been more proportional and greater, if planning had been more realistic and if the leadership of that time had extended greater consideration to our internal possibilities, economic resources and the potentials inherent in economic cooperation among the socialist countries and made better use of these. Still, gigantic economic successes were recorded between 1949 and 1956. These are of historical significance, for only a socialist planned economy is capable of such progress. *The immense economic achievements registered since Liberation are concrete evidence of the great superiority of the socialist system over capitalism.*

Mendacious denial of the facts, slander of our popular system and the heroic efforts of the Hungarian working people, was the economic and social demagoguery used in 1956 by the imperialist propagandists, former exploiters and the revisionists. The truth is, however, that the counter-revolution and its depraved remnants caused extremely serious damage to our economy and produced a breach in socialist construction. The "gift" the counter-revolution bestowed on the Hungarian people was 22,000 million forints worth of damages.

Three years ago the economy was paralyzed and production was at a standstill; the so-called "workers' councils" and "revolutionary committees" hindered the resumption of production, plundered the national economy and disrupted the organs of economic management. The country and the working people were threatened with devaluation of the currency and economic bankruptcy.

The Central Committee and the Government took energetic measures to restore the national economy already in the midst of the armed struggles waged against the counter-revolution-

¹ (1 hold = 1.42 acres; 1 kilogram = 2.2 lbs.)

ary bandits. They appealed to the miners, the workers and peasants and requested economic aid from the leaders and peoples of the fraternal socialist countries. The Hungarian working people became aware of the situation and responded to the appeal of the Central Committee and the Government. The workers gave coal, power and industrial products; the peasants supplied food and the transportation workers restored communications.

Primarily the Soviet Union, but also China and all the People's Democracies came to our assistance without exception. In addition to non-repayable emergency assistance, the Soviet Union and the People's Democracies extended aid in the form of 1,200 million roubles worth of goods and foreign currency on long-term credits. *We extend heartfelt thanks to the leaders and peoples of the fraternal countries for that assistance.*

By the end of 1957, the national economy was restored, socialist industry recovered and was working, and agriculture was producing. We replaced the produce-collecting system by a system of state purchase at fair prices, and raised the living standard of the working people in the city and countryside alike. By the end of 1957, the level of production and the living standard of the working people reached and surpassed that of 1955, the last normal year prior to the counter-revolution. Only the socialist system and international socialist solidarity are capable of such achievements within one year's time.

After restoration of the basis of the economy and of the conditions of normal economic work, we elaborated the line to be followed in the economy and the Three Year Plan based upon it. Our objective was:

1. to improve the economic structure, utilize as far as possible our domestic conditions and the possibilities of economic cooperation among the socialist countries;
2. to increase productivity and reduce production costs through better organization of labour and by raising technical standards;
3. to concentrate available investment funds on the most important projects;
4. to ensure a balance in foreign trade and payments;
5. to plan realistically and build up reserves;
6. to raise the living standard of the working people realistically and in accordance with our economic potentials.

With these principles as a guide we accomplished the following by the end of 1958:

Output of state industry rose 14 per cent above that of 1955. Productivity increased 8 per cent compared to 1955. Total investments were 2,300 million forints higher than in 1955. Our foreign trade balance was passive in 1957 to the extent of 2,000 million forints, while in

1958 we had an active balance of 580 million forints in hard currency. Retail trade was 26 per cent higher than in 1955, while the value of commercial stocks was 3,500 million forints greater than in 1955. Savings bank deposits, rising to 2,100 million forints, tripled compared to the 700 million forints of 1955.

Thanks to the good results attained in 1958, we were in a position to commence 1959 under better conditions. In addition to the good economic results, the confidence, readiness to work and enthusiasm of the working people were stimulated by the great election victory, the outstanding progress made in the socialist reorganization of agriculture and the inspiring 21st Congress of the Communist Party of the Soviet Union. All this gave the Central Committee a basis for appealing in its March 1959 resolution for the consolidation of the many new and considerably larger cooperative farms, and for greater momentum in building socialism.

The March resolution of the Central Committee met with favourable and wide response among the masses of the working people. The Budapest Party Committee, the Central Council of Trade Unions, the workers of the Csepel Iron Works and other large factories initiated a broad movement which they named socialist emulation in honour of the Party Congress. The sum total of the many thousands of pledges made by the workers amounted to 3,200 million forints in socialist industry, under circumstances characterized by extreme prudence on the part of some executives of the factories and trusts.

However, what is even more laudable than pledges is the fact that the working people fulfilled 97 per cent of their annual pledges by November 1st, amounting to 3,100 million forints in output above plan. Grand pledges were also made in the socialist sector of agriculture: state farms, machine stations, and cooperative farms pledged a total of 305 million forints primarily in the form of reducing production costs.

These pledges and their fulfilment are strikingly fine examples of socialist consciousness and enthusiasm on the part of the workers, peasants and intellectuals, both in Budapest and the countryside. It is impossible to single out justly any one of them. The workers' teams, the brigades in agriculture, the so-called complex brigades organized for the solution of a given task and usually consisting of physical and intellectual workers—all did a fine job. It was a pleasure especially to observe how the politically most conscious young workers lived up to their commitments. Special reference should be made to the good work of the youth export brigades: Over 2,000 such brigades are operating in Budapest alone, involving about 13,000 youth.

New pledges are being made constantly. A comrade from the Telephone Factory said at the Budapest Party Conference that if the Congress should last at least three days, they would complete their annual plan during that time. We did not want to let him know that this particular condition for fulfilment appeared to be assured. I read in the paper that—what is sure—they had in fact fulfilled their annual plan by now.

This spring we witnessed a wonderful thing in the development of socialist emulation. Our newspapers carried a report that the workers had initiated Communist brigades in the Soviet Union and socialist brigades in Czechoslovakia. Two to three weeks following the news, hundreds of brigades were formed simultaneously in various parts of the country without any initiative from above, and they are now competing for the title of "socialist brigade." These brigades have very correctly gone beyond production targets and the development of work by setting the goal of deepening socialist attitude and moral standards. There are approximately 3,500 to 4,000 such brigades in the country.

The first nine months of annual plan fulfilment shows the following picture:

In agriculture we carried out the task of consolidating the cooperative farms. Industrial output rose 12 per cent and productivity 4 per cent compared to the same period last year. During the same nine months, retail trade rose 10 per cent, the total money income of the population 8 per cent, and savings bank deposits 69 per cent compared to the same period of 1958.

The results attained during the first nine months indicate that we shall reach the aims set by the March resolution with respect to industrial production, production costs and, probably, productivity as well. This means that with respect to a few major index numbers we shall reach the targets set for the end of 1960 by the Three Year Plan one year ahead of schedule.

Comrades:

The position consistently maintained by our Party during the past three years was that *hand in hand with building socialism must go a steady rise in the working people's living standard.*

Let us see how the living standard of the working people has developed in our country.

As has been pointed out the living standard had reached the 1938 level by 1949. Subsequently the most significant success was that, whereas unemployment during the Horthy regime averaged 200 to 300 thousand yearly, reaching 700 to 800 thousand during the 1929-1933 crisis, this scourge of the working classes was practically eliminated under our system. During the 10 years following 1949, the number of breadwinners rose by 650,000.

For three or four years after 1945, the living standard of factory and office workers lagged behind that of the peasantry. By the end of 1958 the real income of factory and office workers went up 56 per cent, while the real income of the peasantry increased 26 per cent, and thus the temporary lag in the living standard of factory and office workers was eliminated.

The rise in the living standard is strikingly indicated by the trend in per capita consumption of a few staple foodstuffs. In 1938, per capita annual meat consumption in Hungary was 33 kilograms; by 1958, it rose to 42 kilograms. The average annual per capita consumption of fats rose from 17 to 21 kilograms, sugar from 10.5 to 24.8 kilograms; eggs from 93 to 147. Wine consumption was at the same level as it had been in 1938—it may have been very high at that time as well. Beer consumption in 1958 was exactly ten times the 1938 level.

The per capita average calorie intake in our country compared to a few other European countries is also remarkable. As is well known, during the Horthy regime the common people of Hungary were, together with the working people of Spain and Turkey, the most underfed people in all Europe. Today the situation is as follows: The per capita calorie intake in Italy is 2,560 daily; in Yugoslavia 2,710; in France 2,830; in Austria 2,950; in the German Federal Republic 2,970; in Britain 3,210; and in Hungary even higher, 3,240. In this respect we have reached a pretty high level in the world.

In 1958, the total wages of factory and office workers amounted to 41,900 million forints, while allotments besides wages totalled 11,600 million forints.

The living standard of factory and office workers, peasants, artisans, members of cooperatives, of almost every working man, is raised by various services supplied by the state practically free of charge. In 1938, only 31 per cent of the population was insured under the social insurance scheme; now the figure is 71 per cent. The number of physicians in our country rose about 40 per cent since Liberation. In the Soviet Union—which in this respect occupies the best position in the whole world—there are more than 17 physicians for every 10,000 inhabitants, but our country can also stand comparison with any other country in this respect. France has 10 physicians per 10,000 of the population, Denmark has 12, Belgium 12 and Hungary 14.

During the past three years, the masses saw from their own experience how consistently the Central Committee and the Government enforced their standpoint in raising the living standard. At a time when counter-revolutionary damages had not yet been repaired, when production and its increase—the only sound foundation for the living standard—were hardly guaranteed, we did away with the produce-collecting

system, established better purchasing prices and introduced a system of profit-sharing.

In 1957, real wages of factory and office workers increased 14 to 16 per cent, and the real income of the peasantry 8 to 10 per cent. Early in 1958, the report of the Government to Parliament pointed out that the living standard could not be raised in 1958, but at the same time the year must be utilized to consolidate the living standard reached by the end of 1957 by increasing production, and to give it real backing. The masses understood, accepted, approved and supported this standpoint. This made it possible to overfulfil the 1958 plan, and even to raise the real income by more than 2 per cent.

The good results attained in 1958 made it possible for the Central Committee to place on the agenda a number of urgent problems connected with the living standard. The Political Bureau has recently examined the implementation of the Central Committee's resolution on the situation of the working class.

On behalf of the Central Committee, I can report to the Congress that every item of the resolution dealing with the living standard has been carried out.

The resolution specified the first six months of 1959 as the time limit for fulfilling the tasks. The following was done: 25,000 workers in the low income brackets received wage increases of 8 to 15 per cent from January 1st on. Working time was reduced for some 50,000 workers employed on jobs harmful to health. Salary increases were granted to 82,000 teachers also on January 1st. Salary adjustments of 55,000 public health employees became effective on February 1st. On January 1st, 408,000 people were given higher old-age pensions. A partial increase in family allowances affecting single working women with children and employees with three or more children took place on April 1st. These wage and salary increases, supplements in pay and pension increases total 1,487 million forints a year.

Living conditions now are good in our country. Work has a meaning for everyone, as it is obvious to all that the values created by labour are in part allocated to develop production, that is, to guarantee a higher living standard in the future, to assure a better life, and in part to raise steadily the living standards of the working people.

Today there is actually only one problem seriously affecting living conditions, the basic solution of which still calls for a lot of effort and time—that is housing—to meet the increased and constantly growing requirements. This is an extremely difficult task, but one which can, must and shall be solved.

Comrades:

I wish to deal now with the tasks of economic construction. Parallel with the consolidation of

popular power, the problems of economic and cultural construction have more and more come to the fore in Party activity and will continue to become more pronounced in the future. This applies to Party activity as a whole and to the work of each Party organization. The problems of economic and cultural construction are of such political significance that, under conditions of peaceful development, the growth of the Party's influence among the masses and the further political strengthening of our state and system mainly depend on the proper solution of the problems of economic and cultural construction.

Considering the great importance of economic problems, the Central Committee has proposed to the Congress that they should be dealt with as a special item on the agenda. Therefore, I shall only outline our economic tasks in this report.

Production and economic construction serve our social objectives as well. *Within the next few years, our people must complete laying the foundations of socialism and speed up the work of building a socialist society.*

Our immediate economic and production task is to overfulfil the Three Year Plan by carrying out the plan for this year and next year and thus to create a sound point of departure for the new Five Year Plan on a higher level. We have to propound a suitable new Five Year Plan and mobilize the masses for its implementation.

The document published by the Central Committee contains the major directives for the new Five Year Plan to be drafted. Following approval by Congress they shall serve as a guide for Communists who, in leading posts, are engaged in drafting the plan. Moreover, they shall serve as directives for the entire Party membership in their economic work.

The plan should ensure that, by the end of 1965, industrial output will rise at least 65 to 70 per cent and agricultural production 30 to 32 per cent compared to the 1958 level. The national income will have to be increased at least 50 per cent, while industrial output should rise primarily by increasing productivity 37 to 40 per cent.

We must continue to expand industry. We should ensure a faster pace in the growth of the heavy industry, while considerably raising light industry output as well. Productivity in the entire national economy should be increased by developing the technical standards, thrift in production will have to be improved and production costs reduced. In the years ahead our national economy as a whole should be brought closer to the economic level of the most advanced countries. To overcome the relative lag in agricultural production within the entire national economy is now a decisive problem of our development.

There are a number of problems which we must face and solve in order to ensure a more rapid economic development. As far as the increase in productivity is concerned, we have been lagging behind the pace of development of all socialist countries because of the shocks and breaks of the last six years. The decisive precondition for overcoming the relative lag in the rise of productivity is to improve technical standards considerably.

Our industry can boast of a number of excellent products which can compete on the international market, such as the Csepel programme-controlled milling machine; the new tempering equipment of the Metal and Machine-tool Works; enamelled chemical equipment; and radio transmitting and receiving tubes. The E-400 lathe, the VF-211 milling machine, the CH-400 planing machine, the Erosimat spark-machining equipment, the transformer plate tester, the Rajkai grain-slicer and the Orion radio sets were a success at Brussels and won Grand Prizes.

At the same time we must realize that the majority of our products are below international standards. Although steps have been taken in this direction, we have not yet succeeded in building up a demand on the world market for a number of articles for which we possess up-to-date manufacturing possibilities, namely: precision instruments, various electric appliances and some agricultural produce which are in wide repute. When comparing our investments with those of the more advanced socialist countries, and even with a few of the advanced capitalist countries, it appears that *a part of the investments, greater than desirable, is still being used for erecting buildings rather than for purchasing machinery.*

In order to solve the problems indicated above, we must overcome several weaknesses in our work, the cumbersome and bureaucratic traits still prevailing primarily in the state and economic management.

We must definitely improve planning, state and plan discipline in the economy. The obstacle in this sphere is the professional narrow-mindedness which extends from the lowest bodies up to the Ministries, as well as the erroneous view of placing local, regional interests above national interests. A characteristic example of this in industrial management, including the trusts and Ministries, is that in most cases all items affecting the increase in the national income are planned lower than necessary, while those pertaining to investments are planned higher.

If we expect all working people to think about how to raise the funds when they submit requirements, then we should demand that people in leading economic posts plan in a realistic manner, while considering the potentials and interests of the national economy.

Our wage, salary and bonus system should

be developed so that material incentive should contribute towards the development of the socialist economy and not the other way round. Let me cite two examples. It is a fact well known to those dealing with economic matters that the method of rewarding the employees of designing offices is such that their incomes are increased by preparing more expensive designs which require more time, and not by designs which are less expensive in execution and can be realized in less time. One and a half years ago the government instructed the competent authorities, primarily the executives of the building industry, to draft a better incentive system, which would comply with the interests of the employees of the designing offices and the national economy. The adjustment has not been made yet.

Let me take another example. It was certainly not due to any law of nature that our purchasing agencies bought up 14,000, 16,000 and 17,000 pigs, respectively, on September 28, 29 and 30 of this year, and only 2,000 to 2,800 on October 1st and thereafter. This fluctuation is detrimental to the national economy, because a part of the accumulated meat goes to waste because of storage difficulties and the delay in processing. The obvious reason for the mysterious phenomenon, the unevenness in purchasing, is that the third quarter of the year closed on September 30, and the buyers received their bonuses on the basis of the results registered up to the end of the quarter. There are still too many such contrarywise "incentives" in our economy, and they must be eliminated definitely.

Our economic executives must definitely learn to rely to a greater extent and more boldly on the greatest motive power of our development—the consciousness, opinion and enthusiasm of the masses. They should consider and utilize the wonderful experiences gained this year in socialist emulation and in the movement of contestants for the title of "socialist brigade." The working people have overfulfilled every plan during the past two years. We must realize that the great motive force of progress is the growing socialist consciousness of the working people.

Our economic executives must learn how to make better use of the possibilities inherent in economic cooperation among the socialist countries. We must work towards a far greater economic specialization and cooperation within the organization of the Council of Mutual Economic Aid. Although substantial progress has been made in this respect, there are still many industrial products which are manufactured in our country and in other socialist countries in small series and at high cost. We are thinking here primarily of articles in respect of which the clumsiness and conservatism of Hungarian economic executives and specialists stand in the way of a better international division of labour.

The Central Committee is of the opinion that conditions are favourable for our economic development. The solution of the problems in the sphere of economic development is also a prerequisite of the further realistic increase in the living standard of our people.

Comrades:

The directives for the Congress state that in the new Five Year Plan, besides assuring an appropriate development both in quantity and quality of the means of production, we will have to increase per capita real income at least 26 to 29 per cent and raise the population's consumption fund at least 40 to 45 per cent by the end of 1965. The Five Year Plan housing targets will improve the living conditions of the people considerably. Our Central Committee proposed that priority be given to drafting the fifteen-year housing development plan. The governmental agencies drafted the plan and it has been approved by the government. Under the fifteen-year housing plan, we must construct from state and private resources : 250,000 flats in the next Five Year Plan, 350,000

in the ensuing plan and 400,000 in the following one. A total of one million modern flats complying with up-to-date sanitary requirements must be built under the three Five Year Plans. This means that during fifteen years about 40 per cent of the population shall be able to move into newly built flats. To put it another way, *under the fifteen-year housing programme each family requiring a flat of its own shall get one.*

The rise of the living standard will also be promoted by the considerable increase in the production of durable consumption goods under the Five Year Plan. During 1961-65 we shall supply the population with 460,000 washing machines, 150,000 refrigerators, 300,000 motorcycles and 39,000 passenger cars, partly from home products and partly from imports.

These few data illustrating our future plans testify to the fact that *our Party is fully aware of the legitimate requirements of the working people and is striving to direct production towards their speediest fulfilment. To achieve this, it is necessary that our people accept the tasks of economic construction outlined here and proceed to implement them with full enthusiasm.*

IV

Questions of Our Cultural Development

Comrades:

An essential problem of our social progress is for our Party to pay proper attention to the timely and unsolved tasks of cultural development, part and parcel of the welfare of our working people.

The tremendous quantitative development which has come about in the educational and cultural advancement of the Hungarian people since Liberation signifies a qualitative change as well. This progress means that we are approaching the versatile, cultured man of the coming society, the man with a socialist mentality—it means that we are approaching the victory of socialist revolution in culture.

There were six hundred thousand adult illiterates in our country at the time of Liberation. By now illiteracy in Hungary has essentially disappeared. The People's Democracy introduced the eight-grade primary school. Secondary school and higher education have made great strides forward in our country. In 1938, there were 52,000 secondary-school students, today there are 177,000. In 1938, there were 11,700 university and college students, today there are 31,100. In 1938, 3.5 per cent of the university and college students were of working-class and peasant origin; now the figure is 52 per cent. At that time only 14 per cent of the students were women; today 32 per cent of

them are women. Remarkable progress has been made in science, scientific training and research too. Our People's Democracy established three new large universities. The Hungarian Academy of Sciences has thirty-five institutions, seven of which were established after the counter-revolution. The important accomplishments of scientific research render direct assistance to the general advance of industry, agriculture and the national economy.

Our experimental atomic reactor has been completed; the production of isotopes is going on and we meet the domestic needs for isotopes with short half-value period. The Hungarian-made ionosphere-research instrument won a Grand Prize at Brussels. Progress has also been made in cybernetics. Important Hungarian products, which have won international repute, have been manufactured by utilizing the results of scientific research, like geodetic instruments, the modern Eötvös torsion balance, the seismic table and such inventions as the Kummer mine-safety device and the Heller-Forgó air-condensation installation for power plants.

Scientists and research workers attained important achievements in the field of agronomy: they developed excellent varieties of hybrid maize, high-quality sugarbeet seed, and made sandy, marshy and alkali soil fertile. The maize reaper-thresher which may be mounted on an all-purpose tractor, recently constructed

with the cooperation of our scientists, is also very promising.

In addition to the achievements in public education, science, scientific training and research, encouraging progress has been made in literature and the arts. Many new socialist-realist works have been produced with especially valuable accomplishments registered by the dramatic arts.

Let us cite from the recent crop of plays: "Smoky Sky," "The 39th Brigade," "Yesterday," "Storm" and the "People of Budapest." The appearance of a new young party-minded generation in social science, art and literature is heartening.

The statistics of our book publishing are also indicative of our cultural development, the cultural progress made by our people. While in 1938 2,400 books were published in 9,200,000 copies, in 1958 2,700 works were published in 27,300,000 copies. There is a public library in nearly every village of the country, even in 94 per cent of those with less than 1,000 inhabitants.

The number of theatre-goers during the last ten years rose two and a half times and reached 6,800,000 in 1958. There are seven times as many cinemas as during the Horthy-regime and the number of cinema-goers trebled during the last ten years. In this respect we hold our ground in international standards: In round figures, one inhabitant in Holland goes to the cinema six times a year, in Sweden ten times, in France ten times, in Hungary thirteen times.

Comrades:

The advance and victory of the socialist revolution on the cultural front, despite great achievements, has relatively lagged behind the achievements in the political and economic sphere. In part this is natural. It is not easy to defeat capitalism in a political struggle and in economic affairs, but its defeat in the cultural field, in the consciousness of the people, is the most drawn-out struggle of all.

The destruction caused by the counter-revolution and the confusion spread by the revisionists in the field of ideology are still making their effects felt. At the same time it was beneficial that the Marxist core of our intellectuals, our scientific and cultural life, became stronger in the struggle with the counter-revolution. This was also a great school for the masses. We have a number of new effective weapons: the Party's directives on cultural policy, the Party documents dealing with the problems of literature, the populist writers and with the problems of nationalism.

Science plays an inestimable part in laying the foundations of our socialist construction. Ideology and culture has the task of educating and mobilizing for the building of socialism. It is indispensable for our science and culture to serve

better the needs of the working masses and of our socialist construction. It must help raise the new socialist relationship to labour and the fulfilment of our social obligations, the strengthening of patriotism and internationalism and a dissemination of a scientific world outlook on a higher level.

We must overcome the cultural heritage of the bourgeois system, the vestiges of nationalism, chauvinism and anti-Semitism. We must wage a consistent struggle against the petty-bourgeois views and the selfish conception of the small property owners which is hampering socialism.

To accomplish these objectives it is indispensable for the ideas of Marxism-Leninism to become the world outlook in the ideological field, in all spheres of science and culture.

Our public education must be reformed, our schools must be made consistently socialist as to the content of ideological education. We must bring the schools closer to life. In essence, this goes hand in hand with the securing of a modern culture, the introduction of polytechnical education in the primary schools. In the secondary schools we must enable the students to learn a trade in addition to the curriculum. Our institutions of higher education must give well-trained and at the same time Communist specialists to the country.

A reform of our school system calls for very careful preparations and requires the thorough consideration of the experiences of our own public education and of international experiences. This is why the Party initiated and the Council of Ministers decided to set up a broad committee, which has been given sufficient time to elaborate the fundamental principles of the reform.

We must broaden those educational forms, such as correspondence courses and the system of evening schools, which assure the possibility of study for youth and adults employed in production.

The development of the technical standards requires higher technical knowledge even from the workers on the machine. We must create the proper forms to enable the workers in production to secure technical extension training.

It our new Five Year Plan we assure the necessary conditions for the development of science. The country requires more of science, scientific and research workers, in the sense that they have to adjust the research programme of the basic and applied sciences as much as possible to our social needs, to the problems of the development of our economy and culture. The technical and agrarian sciences have a great part to play in assisting in the technical development of our national economy, in increasing the production of a modernized, large-scale agriculture.

It is especially important that those engaged in the social sciences should analyze the course of our most recent development in socialist construction so as to give help to the practical specialists. The carrying out of correct scientific propaganda against religious and other idealist views remains an important task.

Art and literature play an important role in shaping the consciousness, the feelings and the taste of our people. The present key problem of the healthy development of our literature and art is that the Communist writers and artists have to join in a close-knit Marxist-Leninist ideological unity, so that they be able to exert the proper influence and attraction upon the non-Communist cultural workers. *Of course, our Party relies primarily upon the Communist writers and artists, but at the same time depends upon the creative work of all writers and artists of good will; it supports everyone who is promoting with his work the main, socialist line of the development of our people.*

The class-conscious workers, the working people welcomed those creations which embraced the revolutionary struggles of the people: the new literary works and works of fine art born in connection with the 40th anniversary of the Hungarian Soviet Republic, and those depicting the struggle against the counter-revolution. These works indicate that our literature and art is finding itself and is developing along socialist lines. Our literature and art, however, still owes the people a great deal: little has been reflected of the processes which have taken place in the life of the people, of our cities, factories and villages during the past two to three years.

The thinking of our writers and artists was developed under the influence of the policy of the Party and of life. They had a significant effect even on such literary circles which turned against the Party at the time of the counter-revolution. But there are still people who are lagging behind. They must face the principal question and determine for themselves whether they will march along with the people building socialism, or whether they will break away from them. There can be no half-hearted acceptance of the cause of the people, of socialism: there can only be an unequivocal yes or no. No one should think that they do a favour to the people building socialism by standing on their side; on the contrary, it is an honour for the greatest artist or writer if he can serve socialism. The people expect every writer and artist to take a clear-cut position on where they stand in the class struggle, whom they support and where they are going to.

In solving the problems of our cultural life and in developing culture, the Party relies upon the effective support of the reorganized Writers' Association and of all artistic federations.

The requirements of socialist education must be respected in the raising of the cultural level of the masses. The press, the radio, television, film, theatres, houses of culture and the amateur cultural ensembles—all have their part to play in this field. Artists, writers, journalists, cultural functionaries in these fields must work far more consciously for the advancement of socialist, progressive culture. They must fight more effectively against the vestiges of bourgeois ideas, petty-bourgeois trash, ignorance and unscientific ideology.

V

Socialist Reorganization of Agriculture and the Class Composition of Our Society

Comrades:

During the nearly 15 years that have elapsed since Liberation, our people made great strides forward under the leadership of the Party and the working class on the road of social progress. After the overthrow of the class rule of the bourgeoisie, our people in power laid down the major part of the foundations of the socialist order of society, and advanced a long way in the building of socialist society. The decisive task of the next few years from the point of view of the development of our socialist system is to complete the foundations of socialist society in our country through the socialist reorganization of agriculture.

Our final objectives—the complete abolition of exploitation, the complete victory of socialism in our country, the creation of the material and

technical basis of socialism. the carrying out of the cultural revolution, the reshaping of the consciousness of the people, and the creation of a high level of prosperity—all call for the completion of the socialist reorganization of agriculture in the next few years.

Our objective is to reach and surpass in our country the highest level of production and consumption ever reached by capitalism. We have long surpassed the level that capitalism had reached in Hungary, but the Hungarian People's Republic must also reach the level of production and consumption attained by the most advanced and most powerful Western capitalist countries.

The completion of the socialist reorganization of agriculture is of tremendous political significance, for the development of a new, socialist peasantry

will solve the existing contradictions and will make the supreme political foundation of our state, the worker-peasant alliance, unbreakable for ever; it will make our workers' and peasants' state, the Hungarian People's Republic, invincible.

The socialist reorganization of agriculture is also necessary from the point of view of the national economy. The backward relations of production carried on at present on the small parcels of land are the major obstacle to a considerable rise in the level of agricultural production of our country. This also acts as a brake upon the speedier development of our entire economy and holds back a further considerable rise in the well-being of the people.

Modern agriculture operating with more machines, better irrigation, the use of more manure and fertilizer and better select-seeds can only be accomplished within the large-scale units of socialist agriculture. The disparity between large- and small-scale units is demonstrated by this year's crop results. The average yield of winter wheat amounted to 13.4 q. per hold in the state farms, 11 q. in the cooperative farms and 8.6 q. on the small individual farms. The average yield of winter barley was 15 q. per hold in the state farms, 13.5 q. in the cooperative farms and 11.8 q. on the small individual farms. The average maize yield in the state farms amounted to 17.5 q. per hold, in the cooperative farms to 16 q. and on the small individual farms to 14.4 q. And the individually farming peasantry only reached this production level through strenuous, inhuman labour.

Our peasantry is also conscious of what is going on in the world. The Soviet Union completed the socialist reorganization of agriculture more than 27 years ago, and the same thing has been accomplished in the interests of the peasantry and the entire people of China, Bulgaria and Korea in the recent past; Czechoslovakia, Albania and other socialist countries are approaching this goal.

The situation is entirely different in the capitalist world. There too, large-scale agriculture prevails over small-scale farming, but the peasantry is not going to unite their forces in socialist cooperatives in order to become the owners and masters of the land and enjoy the benefits of large-scale production. In capitalism, large-scale farming wipes out the small peasants and makes the small farmer landless. Our peasantry remembers 1929 when, during the months and years of the great crisis, millions of peasants became bankrupt in Hungary and the entire capitalist world alike. The seal of the bailiff drove them out, not only from their lands, but often from the house in which they had been born. In the United States of America, the number of farmers owning less than 72 hectares of land diminished by 1,220,000 during the 30 years from 1920 to 1950.

The Party and the working class must, through work of enlightenment, with the guarantee of the voluntary principle, with assistance in organization and economic consolidation, help the individually farming peasants take the path of socialist agriculture.

The socialist reorganization of agriculture is the cause of our entire society. Everyone who has any connection with the peasantry and agriculture must lend a helping hand. It is extremely important that people who carry on work of enlightenment among the peasants should talk to them as brother to brother with tact, patience and friendliness. Everyone must realize that the decision to take such a step is a matter of great importance for every peasant.

Two sorts of vestiges of old conceptions have very deep roots within a considerable part of the peasantry. One which clings in the minds of many peasants is a capitalist feature. There are peasants who, thinking like capitalists, would like to get wealthy by exploiting other people. They never think of what would happen if capitalism were to have its full sway. In vain would a hundred peasants toil and toil, for only five or, at the most, ten of them could become well-to-do farmers and ninety would inevitably become servants. The worker-peasant state, which is duty-bound to defend the interests of all working people, cannot permit ninety peasants to become bankrupt in order that ten might accumulate wealth.

Then there is another leftover from capitalism, the fear of the future. There are peasants who struggle through a large part of their life according to the jungle law of capitalism. They know that only those people were considered as somebody in the village who had their own plot of land, no matter how small. The brutality of this inhuman life often made a man exterminate his own parents, his own blood brother, for a plot of land. But those days, fortunately also for the peasants, are gone forever. *It is not property but the working man who is the master of our society. He who is not a loafer and joins forces with his fellow men becomes the master of his own destiny, a happy, prosperous man in the cooperative.*

One must patiently and convincingly explain to the individually farming peasant the perspective of a beautiful new life offered him by socialism, when he will free himself from the shackles of the old peasant life and when he will not be in any way the slave of another man, or even of his own cattle. This is obvious enough to cooperative peasants, to those who have had qualms and misgivings before joining the cooperatives. In a few years, the cooperative peasants will either be ashamed of, or look back and laugh at, the misgivings they had before joining.

Comrades:

The working class is the leading class in our society, the "ruling class" which holds the state power. Under the leadership of its Party, it held aloft the banner of freedom and national independence that had been betrayed and trampled upon by the capitalist landowning class a long time ago. The working class assumed the responsibility and sacrifices entailed by its leading role. They shed their blood and worked for the socialist revolution. They faced privation and hunger in 1945 and 1946, during the inflation. Often sacrificing their immediate interests, they have helped the fraternal class, the peasantry, and have built the greatly expanded socialist industry of our country. They gave tens of thousands of men to the various posts of state administration, to the army, police and border guards, to leading posts in the management of factories and plants, to the machine stations, to the construction of new factories in the countryside and socialist cities. The working class carries on an immeasurable amount of voluntary work for the benefit of the entire society.

The working class, heading its allies, continues to lead the struggle for the creation of a new, socialist society. *It is the task of the Party to continue to assist in the raising of the consciousness, political training, technical knowledge and cultural level of the labouring masses.*

The peasantry as an ally of the leading working class had its share in the struggle against the Hitlerites, the domestic fascists, the bourgeoisie and the landowners, for the creation of the people's power.

In 1956, during the counter-revolutionary attack of the bourgeoisie and fascist forces, the peasantry turned out to be a faithful ally of the working class and participated in the defence of the socialist achievements and in the struggle for consolidation. Its most conscious sons are Party members in the front ranks of the struggle for social progress. They are in Parliament, in the councils, in the committees of the Patriotic People's Front, the officers' staff of the armed forces, the workers' militia, and on responsible posts of our workers' and peasants' state and our advancing socialist society.

The fundamental content of the worker-peasant alliance is the joint defence and strengthening of the people's power. It is an alliance for the building of a socialist society. *The task of the most conscious of our peasantry who are employed on state farms, in the cooperative farms, machine stations, in the villages is now to help to overcome in the minds of the less advanced peasants the remnants of selfishness and to establish the socialist Hungarian countryside. They should help raise agriculture and with it the entire economy and the living standard of the working people to a higher level.*

Comrades:

The intelligentsia is a significant and, because of its role, an important sector of our society. As a result of the correct policy of the Party, overcoming false generalizations and sectarian isolation, and of the political stand taken by the working class and the main masses of the peasantry, the great majority of the non-Party intellectuals have recently taken a loyal stand and contribute with their work to the building of socialism.

The progress of socialist construction constantly increases the social role and the creative possibilities of the intellectuals. We wish to carry through the encouraging process which has begun for the complete fusion of the "old" and "new" intelligentsia on the basis of the ideas of socialism. This process can show noteworthy results in the case of the teachers. The Party and the Government look upon the intellectuals with confidence and appreciation and strive to improve their material circumstances further.

The Party organizations must overcome the reserve and lack of confidence which still exists in some places with regard to the intellectuals. At the same time, it is necessary for not only the Communist intellectuals, but for the non-Party intellectuals as well, to participate in the solving of our social problems, in the efforts of our people in building socialism, wholeheartedly, with greater consciousness and greater responsibilities, and to a greater extent.

There are still a large number of petty-bourgeois small craftsmen and shopkeepers in our country. There are 114,000 independent craftsmen, half of them in the villages. The small craftsmen and shopkeepers played an active part in the economic consolidation during 1957 and 1958. The overwhelming majority of them continue to carry on socially useful activities.

The Party and the Government take a stand and fight against speculation and illicit money-making. They expect the small craftsmen and shopkeepers to abide by our laws and help in the work of our people. At the same time, they support and will continue to support the necessary and useful work of the urban and rural small craftsmen and shopkeepers to meet better the requirements of the population. The Party is striving to re-educate, through ideological and political persuasion, the petty bourgeoisie and lead them, in a manner acceptable to them, to the road of socialism, assuring their individual prosperity and the future of their children.

Comrades:

We must deal with the policy towards members of the former exploiting classes. During the past decade we eliminated the capitalist and landowning classes. A part of the former

exploiters and their supporters adapted themselves to our society, while another part fought against the people's power in 1956 and have remained hostile to it up to now. Those whom we had met in the struggle as enemies of our system have been dealt with as enemies.

We shall continue to be vigilant in defending the interests of our system and our people against former exploiters. He who takes a stand against this must be prepared to face the hard blows of the dictatorship of the proletariat. At the same time, the defeat of the counter-revolution, the strengthening of the dictatorship of the proletariat and the successes in socialist construction enhance the possibilities of the re-education of the former exploiters.

The defeat of the counter-revolution did not put an end to the class struggle in our country. It is a social law that a classless society is born in class struggle. The same holds true in the international field also. The peaceful coexistence of countries and peoples, which we are striving to make permanent, does not lead to peace in the struggle of ideas.

We must take into consideration that our objectives, the completion of laying the foundation of socialism, and the building of socialism are class objectives, the objectives of the working class, and their realization will take place in class struggle. The interests of socialism, the interests of our people do not call for the sharpening of the class struggle. On the contrary, it is a good thing if it becomes less violent and its forms less sharp. The Party and the people's state will never incite the class struggle; this, however, is primarily not up to us but up to our class enemies, the international imperialists.

Therefore, the struggle of the classes continues. Only people who fail to understand the nature of the class struggle can think—as the inveterate enemies of socialism are busy rumouring—that the class struggle is conducted against individual members of the former capitalist

class. The laws of our people's state consider the members of the former exploiting classes as citizens with equal rights, if they do not violate these laws but respect them and loyally adapt themselves to our social order. We showed this in our policy with respect to the kulaks. It is known that we left it to the working peasants whether or not to admit them to the cooperatives. We also made it possible, through a decree, for the former kulaks to bury their own past and to become, after two years of honest labour, full members of the cooperatives, eligible to the various posts. As concerns the children of former exploiters, our Party endeavours to help them find their place without any brand of their past in the new socialist world.

Comrades:

I have to touch upon the problem of the so-called absconders. We divide the absconders into two groups. The smaller group consists of the inveterate fascists and criminals for whom we shed no tears. We consider, however, the great majority of them as people who went astray as a result of the propaganda of imperialism and that is why they absconded. Their lot is a bitter awakening from false illusions, insecurity of existence and helplessness. Their deranged, uncertain life and uprootedness is regrettable. We want to help them return to their homeland and find their place again in our society.

Quite a few of the absconders were already agents of the imperialists in Hungary or became political hirelings of imperialism abroad. We advise them to consider the obvious and unavoidable developments of the future. No other possibility remains for them either but to return to their country some day. They should carefully consider the crimes they commit against the Hungarian People's Republic, so that, should they once face the Hungarian working people, they will not be guilty of unpardonable crimes.

VI

Questions of Party Work, International Relations of Our Party

Comrades:

Let me speak finally about the Party, its leading role and a few problems of the ties between the Party and the masses.

It is a fundamental teaching of Marxism-Leninism that *without a Party, without the leadership of the Party, the working class cannot achieve and cannot maintain political power; socialist society cannot be built without the leadership of the Party.*

The revisionists try to minimize the signifi-

cance of the leading role of the Party in the daily life of the countries building socialism. The Hungarian experiences obviously and convincingly prove that the leading role of the Party, after accession to power, does not diminish, but on the contrary, it grows. This is fully evident, especially if we consider that, after coming into power, the Party has to lead the class struggle, to govern the country, to take the responsibility for providing for the people's well-being and to direct the whole complicated

process of socialist construction. Lenin referred to the complexity of building socialism and to the manysided tasks of the working class when he taught:

"Without an iron party tempered in the struggle, without a party enjoying the confidence of all that is honest in the given class, without a party capable of watching and influencing the mood of the masses, it is impossible to conduct such a struggle successfully."

It is no secret that, during the days when the counter-revolutionary uprising was gaining ground, the forces loyal to socialism, though numerically far greater, were not able to make an effective stand against the counter-revolutionary forces which represented a minority. The decisive reason for this situation was the fact that, owing to various earlier mistakes and internal treason, the Party could not properly fulfil its vanguard role during the days of the counter-revolution.

The first and indispensable prerequisite for the effective counter-attack of the revolutionary forces was the reorganization of the Party, the leading force of the working class. We reorganized the Party in the course of the struggle waged against the counter-revolution and concluded this successfully on the whole by May 1st, 1957.

The Hungarian Socialist Workers' Party is guided by the scientific ideology of Marxism-Leninism. Its theoretical basis and Communist policy are not new. What is new in the situation is that, following a series of deviations and errors, the Central Committee led the Party back to the correct Leninist path and methods. The Party also introduced such new elements in its style of work as now unite it with the broadest masses of workers.

The past is a source of strength for the Party. The Party continues to rely upon the great revolutionary experiences of 40 years. At the same time, during the period of the re-organization of the Party, while safeguarding the good revolutionary traditions, it was also necessary to liberate the Party from everything that sullied its banner, especially from the cult of the individual and the shame of the revisionist treason.

We learned, though at our own expense, that a class enemy can seriously endanger the people's power only if the leadership of the Party continuously and for a long time commits such errors which hurt its ties with the masses and spread confusion into the ranks of the members and the masses, and the class enemy succeeds, even if temporarily, in drawing a part of the honest workers to its side; if the class enemy succeeds in disguising itself at the beginning of the attack; if the class enemy is able to get a footing in the revolutionary Party of the working class and to use this as a basis for its attack; if the class enemy succeeds in

paralyzing the ability of the Party to take action, and in making it unfit for leadership.

Today our Party, learning from experience and tempered in battles, is strong, united, fulfils its vanguard role, and, supported by the confidence of the people, it leads successfully the momentous work of building socialism.

The vanguard character of our Party and its preparedness for leadership are assured if it functions as a well-organized force whose entire membership is cemented by unity of will and action. The foundation of Party unity is, above all, the ideological and political unity of the Party membership. The ideological foundation of our Party is Marxism-Leninism, which is an invincible idea, a living, developing science, and has been the weapon of the working class for more than a century now. The ideas of Marxism-Leninism have materialized in the Soviet Union and are victorious in a whole series of countries, including our own.

In order to safeguard the ideological foundation of Party unity, the Party waged a fight on two fronts, during the past three years, against revisionism and against dogmatism, for the purity of Marxist-Leninist ideology.

The ideological weapons of the working class are made dull by dogmatic and revisionist tendencies within the Party. Of these, revisionism is the main danger both in Hungary and internationally. Modern revisionism revives the still undefeated old bourgeois ideas and plays into the hands of, and relies upon, international imperialism and internal reaction. It is especially dangerous because it parades in a Marxist-Leninist cloak before the masses.

The social basis of revisionism consists of the still existing bourgeois and petty-bourgeois elements. *Revisionism falsifies the basic tenets of Marxism, denies the leading role of the Party, the role of the state of the dictatorship of the proletariat and the significance of the socialist camp. Revisionism is closely linked with bourgeois nationalism and leads consistently to the betrayal of the interests of the working class in politics.*

Revisionism is an international phenomenon which is attempting to undermine the position of the Communists within the working class in the different countries. Revisionism is actually nothing else but a falsification of Marxism by the bourgeoisie. It is doomed to failure in its most modern form, just as all the attacks on Marxism over the past one hundred years have all suffered defeat. This is clearly illustrated by the infamous road traversed by the Hungarian revisionist group. A considerable part of this group fully traversed the normal road of revisionism from the falsification of the teachings of Marxism-Leninism, through organizing factions within the Party, to the complete passing over into the enemy camp and to treason.

The Central Committee and the decisive

masses of the Party membership are free from revisionist views. The dark shadow cast by the revisionists upon the Party is the disgrace of these traitors and not of the Party and the masses supporting it.

Dogmatism also distorts and falsifies Marxism-Leninism. *Although it does not spring from the bourgeoisie, but grows in the soil of the working class, dogmatism can cause tremendous damages to the Party, the working class and the dictatorship of the proletariat.*

The cult of the individual developed around Mátyás Rákosi and the ensuing dogmatism and sectarianism caused serious damages to the Party during the past few years. In the course of the struggle waged against the counter-revolution the Party had to get rid of the mistakes of the past as well. Conscious of our responsibility, we can report to the Congress that the Central Committee is free, and the decisive masses of the Party membership have also been freed, of the harmful views of dogmatism and sectarianism. The Central Committee has restored the Leninist principles of Party work in the entire Party, democratic centralism, collective leadership; it has rehabilitated all those who were unjustly accused by Rákosi and his supporters.

There is another disturbing aspect of this problem which should be discussed and settled. There are hundreds of thousands of people who trusted Rákosi during many years, hailed him and supported him and who today dwell on his harmful deeds with harsh words and sharp criticism. How does the matter actually stand? Mátyás Rákosi fought for the Hungarian Soviet Republic in 1919, played an outstanding role in the struggle against Horthy-fascism and took a leading part in the political struggles following Liberation. After the victory of the dictatorship of the proletariat, however, he at first tolerated, then himself encouraged the cult of the individual, thus doing serious damages to the cause of socialism.

People were essentially right when during the early years they supported Rákosi in his correct deeds, but they were also right when, realizing his serious mistakes and his stubbornness in repeating them, they withdrew their confidence in him as a leader and condemned him. The blame for the cult of the individual, for its consequences, and for the shadow cast upon the Party, does not fall upon the Hungarian Communists, the Party, and the masses who followed Rákosi earlier. The disgrace should fall upon those who were responsible, Mátyás Rákosi and the group which supported him and his mistakes.

The rejection of the Marxist theory of knowledge and a subjective view are a common feature of revisionism and dogmatism. Subjectivism

is that way of looking at things which ignores the facts and laws of objective reality. The Marxist theory of knowledge calls for the continuous study of the objective facts of reality. Basing itself upon this knowledge and analysis of the facts of reality, the Party draws the conclusions necessary for the elaboration of its correct policy.

The present situation calls for the strengthening of Marxist-Leninist propaganda. *The task of the Party is to deepen the Marxist-Leninist knowledge and understanding of its members and to help those large numbers of non-Party people who wish to do so to acquire Marxism-Leninism.*

We have accomplished results also in Party education. We have a two-year school, a one-year school and four five-month schools. In addition, we have established a wide system of extracurricular forms of Party education. During the last school-year 267,000 people took part in Party education organized outside of schools, and what is also very good, they included over 77,000 non-Party people. The popularity of the course on "Current Questions" is shown in the fact that approximately 180,000 people studied there theoretical and practical questions and the various Party resolutions.

The Marxist training and cultural level of our propagandists have improved considerably. Results have been accomplished in doing away with formalism, the use of clichés and the sticking to formulas. Party propaganda has come closer to life and, alongside the theoretical training, gives more direct support to the solving of the practical tasks before the Party.

The raising of the theoretical level of the Party, the Party membership, calls for further relentless struggle against revisionism, dogmatism and all other distortions of Marxism. We must strengthen the present healthy traits of propaganda and overcome the existing weaknesses.

Comrades:

The organizational position of our Party is the following: The number of our Party organizations is 16,805; our Party has 402,456 members and 35,500 candidates. Sixty per cent of the members and 56 per cent of the candidates are workers by original occupation. Fourteen per cent of the Party members and 19 per cent of the candidates are working peasants.

The Party Press reflects the organization and strength of the Party. The *Népszabadság*, our central organ, is printed in 622,000 copies, the total circulation of Party papers published in the counties is 365,000. The *Társadalmi Szemle*, our scientific periodical, is printed in 34,200 copies; the periodical *Pártélet* in 63,000 copies. The circulation of the Party Press at present is two and a half times as large as the membership of the Party.

We know from experience that the numerical

strength of the Party membership has a significance of principle for the Party to be able to fulfil its vanguard role. It is the opinion of the Central Committee that the organizational framework of the Party in the earlier years was so large that it endangered the vanguard character of the Party. In the summer of 1948, following the merger of the two workers' parties, the membership of the Hungarian Working People's Party was too large, amounting to 1,100,000, which corresponded to 17.5 per cent of the adult working population of our country. Following the general revision which took place later, the Party membership amounted to 900,000 and remained so until the counter-revolution of 1956.

In reorganizing the Party, the Central Committee, mindful of this experience, strove to keep the organizational framework of the Party within the proper limits. The reorganization of the Party took place in the midst of sharp struggle with the class enemy, and, while causing many difficulties, it also had its advantages. *Today the most conscious and the most steadfast comrades are in our Party, who during the trying days of the struggle against the counter-revolution grasped and held aloft the banner of the Party, of the dictatorship of the proletariat.*

As far as certain strata of the Party membership are concerned, we consider as a big gain that, after the mistakes of the former years had been made good, the old revolutionary core of the Party, Communists of 1919, those who had fought against the Horthy regime in illegality, our comrades who had participated in the Spanish Civil War and also many once unjustly slighted comrades were given a proper place in the Party.

It is considered a great achievement that, in the course of the struggle, we made good those errors which had taken place in connection with the merger of the two workers' parties. It is very good that people are now judged by the loyalty they showed to the cause of the working class during the fight waged against the counter-revolution and not by their former participation in the Communist or the Social-Democratic movements. The merger was fully completed during the last three years, in the sense that by now our Party consists only of members who have equal rights in all respects and are cemented together, including all those who—though belonging earlier to two parties—prompted by inner conviction, realized together the great historical task—the merger of the two workers' parties.

The old main body and the youth which became Communist after Liberation are also united. As we would express it in other words, the three living generations of the 40-year-old Hungarian Communist movement are together and work in close harmony.

We can rightly state that our Party is stronger than before the counter-revolution, despite the fact that our membership at present is only about the half of what it was before. This is so because we do not have in the Party (1) those anti-Party elements who wormed themselves in before 1956; (2) nor do we have in our Party those careerists who joined it before 1956. The vigilance of the Communists who had learned a lot during the struggle helped keep them off. It was also helpful that the revisionists boycotted the reorganization of the Party. The class enemy also unwittingly helped by attracting the careerists at that time. (3) The Party is also stronger because it does not include the hundreds of thousands of wavering people who were members before. They are decent and honest people with whom we have succeeded in establishing friendly and comradely relations, and we must maintain these contacts in the future. As a matter of fact, these hundreds of thousands, while in the Party, brought uncertainty and vacillation into the Party. As non-Party people, they can and do give effective support to the work of the Party.

We can, therefore, rightly state that our Party is strong because it is today indeed the voluntary fighting alliance of people advocating identical principles. The Leninist principles of Party organizations, the principles of democratic centralism, now prevail in our Party. Accordingly, there is unity, discipline, freedom of discussion, a free atmosphere, and freedom of criticism. Decisions are passed after many-sided examination and thorough discussion. Hence, the decisions of our Party organizations are generally better, and there is greater consistency in implementing them.

It is also a good thing that the work in our Party is directed, from branch executives to the Central Committee, by Communist collectives, which were cemented in the defence of the Marxist-Leninist line of the Party and in the struggle against the counter-revolution. This became evident at the membership meetings held to elect new executives before the Congress, and in the local, regional Party Conferences. Seventy per cent of the members of the Party executives and of the Party Committees were re-elected by secret ballot. About 22 per cent of the former executives were replaced because of age, state of health or because, and these were the majority, they had changed jobs. About 8 per cent were replaced by the Party membership, after proper criticism, because they proved unfit for leading posts.

It is heartening that the style of work of the Party developed a lot during the past three years. Characteristic of this Communist style of work are the policy based on principle, confidence in and frankness with the masses and a lively practical attitude.

It is worth pointing out that the Party's full-time apparatus is 40 per cent smaller than before. The Party has given this smaller apparatus a sound political complement by increasing considerably the number of voluntary activists around the Party executives and Party Committees. The Party executives and Party Committees now carry on their work with a permanent group of activists 4 to 5 times the number of full-time functionaries.

The development of the inner life of the Party and of Party work demands a struggle against existing erroneous views; we shall raise the theoretical, political and professional level. Every Party organization must pay far greater attention to the economic tasks and the problems of cultural development.

The work with cadres must be further improved. It is also a good thing that the guiding of people in their everyday work and cadre work are done together and not separated from each other. Cadre proposals are prepared by those Party organs which carry on the Party work in the region concerned, those who know best the people working there. The decisive matter in cadre work, according to our experience, is to judge the people primarily on the basis of their work and their attitude and not through various records. The entire person must be considered, his good qualities and possible shortcomings must be weighed. It is most important to do away with secretiveness and mystification, the one-sided judgements in cadre work for good and all. One must definitely avoid the state of affairs that one day a man is praised to the skies for his good qualities and the next day the same person is, because of some mistake, condemned forever.

A decisive problem in the improvement of Party work is to ensure a far greater consistency in the execution of Party decisions and to improve the control of this execution. It often happens that the workers express their approval of the fundamental resolutions of the Party, while the local organs still fail to carry them out properly. *Functionaries and members of our Party must realize that the correct implementation of Party decisions is a political issue of the greatest importance, because it affects the ties of the Party and the masses. Let us not forget that there can be no discrepancies between the words and the deeds of the Party. This is a decisive factor in increasing the mass influence of our Party.*

Comrades:

The Party has indirect and direct connections with the masses. Both kinds of contacts have their peculiar importance and place; both must function effectively.

The Party has indirect connections with the people through the mass organizations and mass movements. The mass organizations and mass

movements have special functions of their own. Their additional task is to transmit the message of the Party to the people and to transmit the opinions and problems of the masses to the Party. The unhealthy swelling of the number of the Party members in the past coincided with a certain amount of underestimation of the mass organizations as political channels. This obviously led to an underestimation of Party work in the mass organizations, to disregarding the independence of the mass organizations. During the past three years the Party succeeded in effecting a radical change in this fundamentally erroneous conception and the ensuing incorrect practices. *The mass organizations and mass movements, operating under the ideological and political guidance of the Party and at the same time working independently, fulfil their specific role which arises from their character: on the whole they carry out well their function of linking the Party and the masses.*

Time does not permit me to discuss separately the question of all mass organizations and mass movements. Here, I shall dwell on the work and significance of the trade unions, the Young Communist League and the Women's Council. The experiences and tasks, however, can be usefully applied to the work of all mass organizations and mass movements.

The trade unions are the mass organizations of the greatest importance for the Party, the revolutionary vanguard of the working class. The trade unions embrace over 2,000,000 people, physical workers and employees, agricultural workers and intellectuals. There is a sound relationship between the Party and the trade unions. The Party organizations correctly value the importance of the trade unions and in general support their work properly. The trade unions protect the correctly conceived interests of the workers and contribute effectively towards building socialism in our country.

The trade unions are entrusted with extremely important tasks. These include the safeguarding of the health of the workers and the developing of a socialist attitude to work. Production conferences play an important role in the factories and institutions. There, workers discuss thoroughly their tasks and all the problems connected with the increasing of production and thus the raising of the people's well-being. It is desirable that the trade unions should develop, with the support of the Party organizations, the activities of the works' councils.

Communists active in trade unions have been instructed to put forward the position of the Party through persuasion and not through general references to the Party's position. This is generally the situation in practice. If the Party members active in the trade unions continue to work in this way, the influence of the Party will grow in the trade unions, and their work

will also gain momentum. *Communists must look upon the trade unions as the bodies which will gradually assume tasks and responsibilities so far discharged by state organs.*

The Young Communist League is, on the one hand, a mass organization but, in another respect, the Party's own youth organization. The Young Communist League has 11,658 local organizations with roughly 380,000 members. Somewhat over 8 per cent of its members are members or candidates of the Party. The practical implementation of the Party's policy in the activities of the YCL is their responsibility. Thirty-five per cent of the members of the YCL are girls.

Experience has shown that it was correct to establish the YCL in the spring of 1957. It has an authority among the youth, and the Party relies upon it in its work. The activities of the YCL are sound, and this can be attributed to the fact that it was born in the struggle against anti-Communist views and trends.

The principal task of the YCL is to help the Party to liquidate the vestiges of hostile views which are still doing damage here and there among the youth. An additional task of it is to help the Party to encourage all youth to study, to teach them appreciation and love of work, unflinching loyalty to the idea of socialism, to their people and to their homeland.

In the opinion of the Central Committee, the organs of the women's movement, the *Women's Councils*, are doing useful and effective work. This is why they have great prestige in the Party organizations and among the masses.

It is their function to deal with the central social problems of the building of socialism, and to mobilize the women to support the policy of the Party and for creative work. At the same time they have to deal with the social problems of women. Women are guaranteed equal rights by our Constitution and laws. It is task of the Women's Councils to enforce fully this equality assured by the law in all spheres of life and in the daily conduct of affairs.

It must be frankly stated that a satisfactory solution of the social problems of women still calls for a great deal of work. The full emancipation of women and their equality of rights in the true sense of the word is one of the principal tasks of the socialist revolution. We have not solved this as yet, and it is not an easy, short-term task. Conservative views and habits inherited from a past of a thousand years must be overcome, and that on two fronts.

The assuring of full equality for women in many respects calls for the creation of such material conditions which will enable the women to carry out better their twofold role in society and in the family. This is why we must assist them in alleviating their concern with children and housekeeping, with proper institutions, the building and organization of nursery schools,

day nurseries, and catering enterprises, and the large-scale application of modern household appliances. This calls for huge funds which the national economy can raise only in the course of many years.

On the second front, we must overcome backward, reactionary views denying the equality of women, which prevail in the thinking of both men and women. This requires persistent and consistent ideological struggle and political work which will take many years.

The Party relies upon the assistance of the Hungarian women in realizing the socialist objectives and considers it a major duty to fight consistently for the realization of the full political, economic and social equality of the women.

Comrades:

The Party maintains also direct contacts with the masses. These contacts take manifold forms, such as the press, radio, meetings, open Party meetings, the everyday work of the Party groups in residential areas, as well as the constant work of enlightenment which every Communist must carry on, and the personal contacts of the Communists with non-Party people.

It is of extremely great importance for the proper development of the direct mass contacts of the Party that the Party may establish a correct relationship in principle and in practice with the non-Party people. The Party, as is known, has confidence in, and a correct appreciation of, non-Party people. It speaks frankly, directly and openly to the broadest masses of non-Party people about achievements and difficulties alike. During three years, it was this sincerity and frankness that created a great moral capital of mutual confidence between the Party and the non-Party masses. The successes of the Party depend to a decisive extent on the further strengthening of this mutual confidence.

Complacency, which is reappearing here and there in our ranks, is an obstacle to the development of the healthy relations established with the non-Party people. There are comrades who forget the teaching of Lenin, that the Party must fight to win the confidence and the support of the masses day by day. It is regrettable that we should find, though occasionally, that some Party members do not understand the position of the Central Committee with regard to non-Party people, and therefore do not act properly.

There is in some places a certain lack of comprehension of, and a reluctance to, the position of our 1957 Party Conference, according to which any public office, excepting Party functions, may be filled by non-Party persons. There are comrades afflicted with conservative views who do not understand that Communists cannot do everything by themselves. Considering the great importance of this question, permit me to quote Lenin on the matter:

"One of the biggest and most dangerous mistakes of Communists (as generally of revolutionaries who have successfully accomplished the beginning of a great revolution) is the idea that a revolution can be made by revolutionaries alone. On the contrary, to be successful, every serious revolutionary work requires the understanding and translation into action of the idea that revolutionaries are capable of playing the part only of the vanguard of the truly virile and advanced class. A vanguard performs its task as vanguard only when it is able to avoid becoming divorced from the masses it leads and is able really to lead the whole mass forward. Without an alliance with non-Communists in the most diverse spheres of activity there can be no question of any successful Communist constructive work."

Comrades:

We have to oppose impatience shown here and there towards non-Party people. One cannot expect everybody to become a Communist overnight, to rise at once to the level of the vanguard. The construction of socialist society, on the other hand, is the cause of the entire people. It can only be accomplished through the work of the entire people. It is the task of the Party to lead the non-Communists in this great work with persuasion and patience and to place those who have abilities, knowledge and talent into posts in which they can do the most for society.

Much greater patience is necessary in dealing with the everyday problems of the people. There are no statistics about the host of problems, about matters of public or personal interest, with which people turn daily to our Party organizations. In 1958, almost 20,000 letters were sent directly to the Central Committee and over 30,000 to the Party newspaper *Népszabadság*. Various people turned to us in these matters for advice or assistance. Obviously, the Party and the Party organizations cannot take up everything, but all requests and wishes which mostly non-Party people present to us in words or in writing must be looked upon, above all, as a sign of confidence in the Party.

Taking a sharp stand against bureaucratic and soulless attitude we must pay the most detailed attention to the affairs, problems, complaints and requests of the people. The Party organizations must take these matters seriously and put people on the right track. They should pass on the problems to the competent bodies and follow up their settlement with care.

It is through the mass movements and direct contact with the masses that the millions of threads which link the Party with the people are spun and strengthened. Mutual confidence and lively contact between the Party and the people is the thing without which the Party can neither live nor operate.

Comrades:

Our Party is a patriotic and internationalist party. Our socialist revolution can develop only together with the international Communist movement and in unity with it. The Central Committee is pleased to be able to report to the Congress that our relations with every one of our fraternal parties, the Communist and Workers' Parties throughout the world, are intimate and friendly and are developing on the basis of proletarian internationalism.

We consider it our task to learn from our own people and learn from the experiences of the international Communist movement. If we constantly learn from our own experiences and our people, we cannot lose sight of our domestic conditions and national particularities which have evolved in the course of history. If we were to ignore them it would be impossible to build a socialist society in our country. If we were to overlook the experiences of the international Communist movement and forget about the major international requirements of the building of socialism, we would shut ourselves within the walls of national isolation. In this case it would also be impossible to build a socialist society in our country and defend the socialist achievements of our people.

Our Central Committee is of the opinion that in the struggles of the last few years we have correctly interpreted and applied the international experiences of the class struggle, the main international requirements of the building of socialism, taking into consideration our domestic conditions and national particularities.

When dealing with the international ties of our Party, I must report that our relations with the League of Yugoslav Communists have deteriorated and there are at present no official ties between our Parties. This is due fundamentally to the fact that the leadership of the League of Yugoslav Communists have revised Marxism. They have developed theoretical theses and taken steps in practice which have been harmful to the entire international Communist movement and to our Party.

Discussions arose between us. In December 1956 they publicly advised us not to make "futile attempts" for the reorganization of the Party, to base our political system upon the so-called workers' councils instead of on the Party. We debated with them on the anti-Marxist theses elaborated in their programme, including their theory on the state, their negative evaluation of the socialist camp. Our opinion was that the adoption of their ideas would disarm the working class in the struggle against the bourgeoisie and international imperialism.

It is known that, during the period following the autumn of 1949, many mistakes were committed by the Hungarian side which injured the relationships between the two Parties and

the two countries. It is also a matter of fact that since the summer of 1953 we have been striving continuously to improve our relations. There is not a single case where any attempt should be made on the part of Hungarians to interfere in the internal affairs of the Yugoslav Party. The same cannot be said on the other part, because during 1956-57 a series of interventions and attempts at intervention were made in the internal affairs of our Party and our country.

We hope that the Yugoslav comrades will be able to understand better the problems which brought them into opposition to the Communist movement throughout the world.

On our part we wish to re-emphasize:

The ideologico-political basis of the activities of the Hungarian Socialist Workers' Party lies in the teachings of the classics of Marxism-Leninism, our Party resolutions embodying our experiences, the resolutions of the 20th and 21st Congresses of the Communist Party of the Soviet Union, and the Moscow Declaration of November 1957 which is the most recent summing up of the most important experiences of the international Communist movement. We take for our basis the internationally valid laws of the building of socialism and strive to implement them in practice, keeping in mind our national particularities and domestic conditions. Our Party is a Marxist-Leninist party; proletarian internationalism is a major cornerstone of principle of a Marxist-Leninist party. Hence, our Party has always been internationalist and will continue to be so in the future.

Comrades:

I have arrived at the end of the report.

To sum up the tasks before the Party: In the next few years we must complete the laying of the foundations of socialist society. With a better and more vigorous solution of the tasks of economic and cultural construction, we shall

bring closer the day when the socialist revolution will have scored a full and complete victory in our country.

The prerequisite for this is the safeguarding of the purity of Marxism-Leninism, which is the ideological foundation of our Party, and the implementation of a clear-cut and consistent Communist policy by constructively applying our scientific theory.

In our policy, we are striving to be consistent and unanimous. In the ideological struggle we continue to aim the main fire at the remnants of hostile bourgeois and revisionist views. At the same time, we shall yield neither to dogmatism nor to sectarian practices.

Our Congress will obviously put an end to many questions of the past. We shall not forget the experiences, but those questions which belong to the past will be turned over to history. We look forward to the tasks of tomorrow and are concentrating our efforts on dealing with them.

The Hungarian Socialist Workers' Party and the Hungarian People's Republic are strong, and the international conditions are good. It is necessary for our Party, every organization and member of our Party, to work with even greater enthusiasm than before.

It is necessary for the Party to rely even more upon the masses and for the people to rally even more firmly around the Party. It is necessary for the Hungarian people to cement further their friendship with the peoples of the Soviet Union and the socialist camp, and to rally more closely to the ever mightier international forces of socialism and peace. We are confident that it will be so. We shall see the full triumph of socialism also in our country within a reasonable time; the happiest and truest dream of several generations of the Hungarian people, socialist Hungary, will become a reality.

DIRECTIVES FOR SOLVING THE ECONOMIC TASKS AND DRAFTING THE SECOND FIVE YEAR PLAN

Report by Comrade Jenő Fock, Secretary of the Central Committee

Comrades:

Comrade Kádár introduced the major features of our Party's economic policy in the Report of the Central Committee. He analyzed in detail the rich accomplishments registered by the Hungarian working people under the leadership of our Party in the period from the damage caused by the counter-revolution up to the Congress. As Comrade Kádár emphatically stated, our economic position is stable. Led by the Party, our working people are able and ready to perform even greater tasks. Comrade Kádár has projected the brilliant perspective which in the years ahead will be opened to the development of our beloved country, the Hungarian People's Republic, owing to the systematic improvement of living conditions and the completion of the laying of the foundations of socialism and the hastening of socialist construction.

Proceeding on the basis of the above-mentioned Report, I wish to deal with the changes which must be instituted in the structure and proportions of our national economy during the coming six years.

Discuss the Five Year Plan with the Working People

Two months before the Congress convened we had issued the "Theses of the Central Committee concerning the Economic Tasks and Drafting the Second Five Year Plan."

I wish to re-emphasize here at the Congress that we attribute immense importance to the fact that we were able to publish the theses for drafting the plan fifteen months prior to the second Five Year Plan period. Thus we are able to draft the plan prudently and without confusion, while thoroughly preparing to implement it.

When it discussed and approved the Three Year Plan, the Central Committee gave thought to acquiring a view of some major features of development following the Three Year Plan. The same practice should prevail with reference

to the Five Year Plan. Before the Five Year Plan is approved in final form by the Central Committee, the Government and ultimately the Parliament—which will in all likelihood be one year from now—the prospects for the next five or ten years should be examined, at least as far as major problems are concerned.

We should utilize the time remaining before the plan period opens for polishing the rough edges off the estimates, eliminating strains and bottlenecks, and tapping "latent" reserves.

We recommend that the Congress should instruct the new Central Committee to discuss the Five Year Plan with broad masses of the working people at a later period of its preparation.

We did not organize a nation-wide debate on the plan prior to the Congress. But the documents published for the Congress were discussed by several bodies in line with the nature of the respective organization, such as the Academy of Sciences, the Central Council of Trade Unions, the Presidium of the People's Front, and the Federation of Scientific Societies.

The theses issued prior to the Congress underlay, of course, the reports and discussions at the Party Conferences.

A study of the discussion which has taken place so far provides plenty of food for thought for those who have the major task of elaborating the Five Year Plan.

The substance of the most important observations made in the discussions is the following:

They agree with the trend of development; they approve our giving prominence to productivity and economy;

they directed attention to the many reserves we possess for hastening economic development; they have shown that increased employment and a rise in real income above plan may be attained by speeding up economic development;

that we should make a thorough investigation of the possibility of hastening industrialization in economically underdeveloped regions;

that we should deal comprehensively, in a more organized manner and more profoundly,

with improving standards of economic management;

they have shown that a quicker raising of the technical standards calls for the expansion of the training of engineers and technicians;

finally, many people have stressed that more attention should be paid to improving the quality of products.

It should be added that during the past two months planning has proceeded with more precise consideration given to potentials. At the same time, we were able to take into account some of the observations. In the work ahead of us—and a lot remains to be done to make the plan as good as possible—we should attempt to adapt all correct criticism and every sensible proposal.

Complete the Laying of the Foundations of Socialism and Hasten Socialist Construction

To complete the work of laying the foundations of socialism and to hasten socialist construction is the paramount task for the period of the second Five Year Plan.

In line with this major task, we will raise production in industry and agriculture by increasing labour productivity, improving technical standards, changing the structure of the economy, intensifying economy and changing property relations in agriculture. The living standard of the people will be raised on the basis of all these measures.

In designating the tasks of socialist construction, we proceeded from the actual economic situation obtaining in our country, relying first and foremost on our internal resources. We are utilizing extensively the rich experiences acquired by the Soviet Union and the People's Democracies in socialist construction, in accordance with the features peculiar to our own economy. We are avoiding both exaggeration of our national characteristics and the mechanical application of experiences.

Our major goals comply with the requirements of the basic law of socialism and of the economic laws of socialist construction which are valid for all countries.

The main proportions to be evolved in economic development are set forth in the theses of the Central Committee.

The increase in the national income set in the theses will be determined by the rise in industrial and agricultural output, the two decisive branches of material production. Accordingly, the 65 to 70 per cent rise in industrial output and the 30 to 32 per cent increase in agricultural production should be attained by assuring at least a 50 per cent increase in the national income. In former years, a ratio of this nature between the rise in

industrial and agricultural output and the national income was unusual in our country. The situation was characterized by the fact that industrial output rose with comparative rapidity, while agricultural production went up too, although by no means sufficiently. But the production of new values, that is the national income, rose slowly. From 1950 to 1957, industrial output more than doubled; agricultural production rose 20 per cent; and the national income increased only 49 per cent during those seven years.

The ratios set forth in the theses give an overall characterization of the features peculiar to our economic policy. We are not only out to produce more; at the same time, we will improve economy in production and reduce expenditures. We are aiming to raise the national income to the utmost by improving the efficiency of labour. And the correctness of that economic policy has also been substantiated by the experiences acquired during three years of work.

This change in our economic policy is also reflected by the estimated ratios in industry. *Heavy industry output is scheduled to rise more rapidly than the average in line with the requirements of extended socialist reproduction and socialist industrialization.* In developing heavy industry, we are giving far-reaching consideration to the conclusion drawn by the Twentieth Congress of the Communist Party of the Soviet Union:

*"Today it is no longer necessary for each socialist country to develop all branches of heavy industry, as had to be done by the Soviet Union, which for a long time was the only socialist country, and existed in a capitalist encirclement. Now, when there is a powerful community of socialist countries... each European People's Democracy can specialize in developing those industries and producing those goods for which it has the most favourable natural and economic conditions."*¹

The change in the composition of industrial production is characterized by the fact that, in all industrial branches, we are stepping up the output of products which can contribute best to raising the national income under our conditions. The ratios planned between the various industrial branches will make it possible to increase economical production and bring about a favourable change in the structure of the national economy. This is reflected, for instance, in the trend of the fuel balance, the direction of development of metallurgy, and in the targets of higher output in some branches of engineering, such as telecommunications, precision mechanics. The accelerated pace of development of the chemical industry is also

¹ Documents, *New Times* No. 8, p. 7, February 16, 1956.

operating in the same direction. While promoting the speedier rise in the national income and the satisfaction of the population's requirements, the proportions of industrial production mentioned above are also in harmony with the requirements of our expanding large-scale agriculture.

The composition of agricultural production is also changing in accordance with the economic requirements. Agricultural production is becoming more intensive; livestock farming is developing faster than crop farming. The ratio of intensive farming is growing in crop farming. Thus we are continuously adding to the national income by increasing values produced per hold, by raising productivity and reducing production costs.

According to the directives, the greater part of higher output should be attained through increased productivity. This is contrary to the practice followed in former years, when close to two-thirds of the rise in industrial production was attained by adding to the labour force, and only one-third was due to increased productivity. According to the directives, productivity in industry is scheduled to increase 37 to 40 per cent. This means that two-thirds of the higher output will have to be attained by increasing productivity. This accords with the pace and proportion of the output of heavy industry and of the means of production, and, first of all, with the growth of the power, engineering and chemical industries.

The directives set the goal of attaining by 1965 a 40 to 45 per cent increase in the part of the national income earmarked for consumption compared with 1948. At the same time, the national income is scheduled to rise over 50 per cent. This means that there will be an increase in the proportion of the national income earmarked for funds of accumulation. Why is this necessary? It is a known fact that, in the last quarter of 1956, as a result of the counter-revolution no investments were made. In 1957 only a small part of the low ratio of accumulation could be utilized for investments—the major part had to go to repair the damages caused by the counter-revolution. Even in 1958, only 12.5 per cent of the national income could be invested. Almost one-third of this amount was expended for building houses and schools, for social welfare, cultural, health and other purposes. About 8 per cent of the national income was spent on productive investments. Fifty per cent of these investments went for buildings which promote production indirectly. We spent only about 4 per cent of the national income on productive equipment, machinery. And even part of this went for the replacement of machinery.

These few data make it obvious that adequate proportions will have to be restored in the national income between production and accu-

mulation. Therefore, the share of the national income earmarked for funds of accumulation must be increased, a measure necessitated also by the extensive housing programme, the building of schools and other projects. Moreover, the ratio of productive investments—especially for machinery—will have to be increased as part of the funds of accumulation. These measures are prerequisites for extending production and raising the living standard.

There can be an increase in the proportion of the funds of accumulation only to such an extent as permits the population's living standard to register a tangible rise each year. The proportion set by the directives meets this requirement with a 40 to 45 per cent rise in the funds earmarked for consumption.

Owing to the rise in the fund for consumption, by 1965 real wages and income of employees will go up 26 to 29 per cent; real income per head of the peasantry will also increase 26 to 29 per cent compared to 1958.

While bringing to completion the draft of the Five Year Plan, particular attention should be paid to developing appropriate proportions between the output of means of production and consumer goods, between the rise in output and that in productivity, between industry and agriculture, between accumulation and consumption, all of which are of such immense importance for economic development.

Increase Labour Productivity

Labour productivity should be increased to a growing extent so as to speed up socialist construction, extend production, increase accumulation, and improve the material well-being and cultural standards of the entire people.

Lenin said in 1919: "In the last analysis, productivity of labour is the most important, the principal thing of the victory of the new social system. Capitalism created a productivity of labour unknown under serfdom. Capitalism can be utterly vanquished, and will be utterly vanquished, by the fact that socialism creates a new and much higher productivity of labour."²

It is regrettable that this teaching of Lenin, which is of utmost importance for all countries building socialism, has not always been applied consistently. Productivity did not develop adequately. In fact, it did not develop at all from 1952 to 1955. Net production values per worker showed the following trend during the past few years (1952 = 100): 1953, 100; 1954, 96; 1955, 102; 1956, 90; 1957, 103; and 1958, 112.

What was responsible for this state of affairs? In practice, the general erroneous view was held that production should be expanded mainly

² Lenin, *Selected Works*, Vol. IX, p. 438.

by building new plants and factories. The new factories and plants generally were not equipped with the most modern machinery. This led to a stagnation of technique and technology, while productivity either did not rise at all or rose insufficiently. For the most part, production was expanded by adding to the payroll. In addition, no circumspection was shown in manpower management. Employment did not go up in the most useful areas of the national economy, partly owing to the improper structure of industry. While aiming at all costs to meet the plan targets set for quantity, considerations of productivity, thrift and production costs were lost sight of. Inadequate attention was paid to the condition of the means of production, and replacements were neglected. Consequently, we are still producing today with outmoded, worn-out machinery in some industries. In general, our machinery is too old, a fact which indicates that some of the machines have reached the limit of their use. We have few high-performance automatic and semi-automatic machines.

Even despite such errors and shortcomings, with respect to the average for the past ten years, we outstripped a series of advanced capitalist countries in the rate of productivity increase. But we lagged considerably behind the annual 8 to 10 per cent increase registered by the fraternal countries. The Central Committee believes it necessary that the Party Congress be told frankly about the causes retarding productivity and the present situation. *We are firmly convinced that this situation can be changed radically by combining our forces.* But to do that, we must be clear about the actual situation and the problems which have to be solved.

Theoretical work connected with the problem of increasing productivity is not satisfactory either. The economists have only recently begun to deal with this important problem more thoroughly. The scientific conference on problems of labour productivity in October was a laudable initiative in this sphere. This conference has also demonstrated that there are still important theoretical tasks to be solved. Our economists should consider it an important task to extend more practical assistance in solving problems of productivity.

To examine the trend in productivity merely from the point of view of the proportion of human labour employed could lead to serious errors. Consequently, we must consider also the use of labour embodied in material, machinery and power. In widely promoting economy in the use of raw material, we must be aware that a one per cent saving on material in industry at present represents approximately 900 million forints, and that by 1965 it will mean a saving of 1,200 million forints. Better use must be made of the means of production. We should

examine the various technical and economic index numbers, the quantity of raw and other materials per product unit, as well as the extent to which machinery and equipment are utilized.

Continue Changing the Structure of Industry and Improving Technical Standards

We believe that the main way of increasing productivity in the future lies in continuing on a higher level the economic policy instituted during the period of the Three Year Plan. Accordingly, we wish to deal with improving technical standards and changing the structure of industry, while giving far-reaching consideration to the requirements of economy. In changing the structure of industry, we are guided by the line which has proved to be correct already during the Three Year Plan.

It is unnecessary for me to enter into details concerning all industries in my report since we are not submitting the Five Year Plan to the Congress, but merely the directives for the plan and its major indices. Therefore, I shall limit my remarks to an analysis of the trend of development of some industries and of their relation to other industries, to underscore the cardinal idea of the directives for the Five Year Plan of economic development and the significance of higher productivity, especially through technical development.

The directives make it clear that we have scheduled a considerable change in the fuel balance during the Five Year Plan period. We aim at increasing coal output 15 to 20 per cent, doubling oil production and tripling the output of natural gas. As a result of the planned development, the ratio of coal in the fuel balance will diminish from 75 per cent in 1958 to 69 per cent, while fuel requirements will increase over 32 per cent.

Of course, we do not consider oil and natural gas merely as fuel but mainly as primary materials for the chemical industry. But as shown by our own calculations as well as international experience, labour productivity may be increased more rapidly by using natural gas and oil for fuel. And, of course, we have no intention of ceasing to develop coal mining, for most of our heating equipment is built for the use of coal. Moreover, the use of coal is indispensable and advantageous in many industrial spheres.

In addition to increasing domestic consumption, the change planned in the fuel balance is made practicable by the highly important assistance extended by the Soviet Union through the shipment of a large quantity of oil by way of pipelines.

Great attention should be devoted to the development of electric power output during the second Five Year Plan.

In more advanced industrial countries, electric power output has to outstrip the increase in industrial production. During the past few years the contrary took place in our economy. The rise in industrial production exceeded electric power output. This disproportion caused serious problems both in production and consumer supply for some years. The low consumption of electricity per industrial worker in our country also indicates the unsatisfactory technological level of our industry. Electric power consumption per worker in the Soviet Union is almost three times as high, and in Czechoslovakia about twice as high, as in Hungary.

During the second Five Year Plan, the available electric power will have to be increased at least 72 to 75 per cent compared to 1958, thus ensuring a regular supply for production and the population. The need should be met by building additional power stations and by imports.

Automation should be applied in the power stations on a wider scale. In this way, per capita power output can be raised considerably. The number of employees per one megawatt of power plant capacity in our country is from one and a half to two times as high as in the more advanced industrial countries.

The period of the Five Year Plan is too short a time for us to make a radical turn towards raising technical standards in the length and breadth of our industry. But we can—and must—concentrate our resources on some special branches of industry and accomplish decisive changes in them, while improving and developing the industrial structure as well as increasing productivity in industry as a whole. When selecting the branches of industry, allowance must be made for our potentials, specific conditions, production experiences, the advantages and obligations ensuing from international co-operation, and the disproportions which may develop. We took stock of all these factors *when in engineering we gave priority to the development of instrument manufacture, telecommunications, heavy-current equipment, and machinery for the chemical and food industries.*

The rate of technical development itself calls for a greater expansion of the heavy- and light-current industry and instrument manufacture. The lag in technical standards of heavy-current machinery and equipment is impeding development not only in engineering but in other branches of the national economy as well. These shortcomings will have to be eliminated during the second Five Year Plan.

By their very nature, telecommunications and instrument manufacture are labour-consuming branches of industry; consequently, their development complies with the conditions in the country. In these branches of industry, relatively high values may be produced from relatively

little material. We possess enormous manufacturing experience especially in the production of telecommunication articles, and our research basis has also grown stronger. We will be able to export considerable "brain work" by this expansion. While bearing in mind the requirements of more economical manufacture and the possibilities offered by the international division of labour, we shall concentrate our efforts on certain definite areas: for instance, the development of vacuum technique in telecommunications with the expansion of VHF receivers and transmitters; and in instrument manufacture, chiefly the development of nuclear instruments, automatic and medical equipment.

We also possess the prerequisites for economical manufacture of certain machinery for the chemical and food industries. Large-scale development of the chemical industry has assumed prominence in the entire socialist camp. The socialist countries are mechanizing and automating their food industries to a growing extent. Owing to the rapidly growing demand for chemical and food industry equipment, it is possible to manufacture them in larger series and more economically and to sell them more readily.

We are changing the production structure, not only in special industrial branches but in the other branches as well, in favour of products which represent a higher technical level and may be manufactured at lower cost (for instance, the machine-tool, vehicle and farm equipment industries). We will have to manufacture more and more complex, precise, special machine tools which are of greater value. The directives set the goal of increasing the manufacture of Diesel vehicles. However, it should be added that the precondition for this—to eliminate, rapidly and efficiently, the technical difficulties prevailing in this sphere—must be developed primarily through pooling the enthusiastic and selfless labour of the manual and technical employees of the Ganz-MÁVAG Plant. We are sure that this will be done and pledge our help to do it.

In metallurgy, we aim primarily at improving the quality of the products, widening the range, and developing the manufacture of better quality steel, thin sheet and cold-worked products.

We shall make considerable progress in raising the output of steel plate by putting into operation the hot and cold rolling mills at the Danube Iron Works. The ratio of steel-plate output was 25 per cent of the total rolled steel in 1958. This is scheduled to rise to 39.4 per cent by 1965, while the ratio of thin sheet will rise from 7.7 per cent to 17.3 per cent. This is important because during the past few years we imported 50 to 60 thousand tons of thin sheet. This import will now stop in essence.

The completion of the first stage of the

Danube Iron Works also means that the plant, which is showing a deficit at present, will be our most economically operated metallurgical plant.

The change in the structure of machine building requires a greater amount of alloy steel. Metallurgy has great tasks to solve in developing the manufacture of high-alloy steel, both in steel plate and shapes.

The development of the various cold-worked steel products will also result in an improved range of products and a shift towards more valuable goods. The productive capacity required to manufacture these products will be expanded 80 per cent by 1965 compared to 1958.

This change in the production structure of metallurgy serves a twofold purpose: metallurgical production will become more economical; also, economical production will be promoted throughout the economy by modern installations, lighter weight machinery and structures, and new, more valuable products in the processing industry.

Thus we shall be able, for instance, to reduce the consumption of rolled steel per one million forints worth of products from 19.6 tons to 15.5 tons.

Our country possesses bauxite reserves which are considerable even on a world scale. It is extremely important to make the most profitable use of this raw material which is becoming ever more important.

Owing to the development of the Hungarian aluminium industry, we possess an important base in bauxite mining, alumina output, and aluminium metallurgy. The next stage in the development of the aluminium industry is to expand the capacity of industries manufacturing semi-finished goods.

By this development, we intend to do away with the present backwardness in the major area of the entire aluminium industry, and the disproportion which prevails there.

Thanks to the long-term credits extended by the Soviet Union, the first stage of this development started in 1958. Consequently, the Székesfehérvár Shape Mill with a capacity of 6,800 tons will start producing in 1962.

This expansion will enable us to satisfy domestic needs entirely and to provide for exports as well.

By increasing the output of finished aluminium goods, we shall save a lot of imported lead, copper, zinc and timber as well as alloy-steel products. The expansion of the aluminium industry will add considerably to more economical production. Indicative of this is the fact that the price of semi-finished products is double the price of aluminium ingots, the price of aluminium foil is four times, and finished products from seven to twenty times, that of ingots.

Expansion of the chemical industry acquires special importance in industrial development—including heavy industry—for it can act as a spur for practically all the national economy.

During the last few years, the chemical industry advanced considerably and good accomplishments were recorded in some spheres, as in the pharmaceutical industry. However, the progress made in the chemical industry as a whole cannot be considered satisfactory by any means.

During the past few decades the chemical industry grew rapidly in the advanced countries of the world, especially as regards the plastics and synthetic fibre industry. In Hungary, this industry has lagged behind international standards, also behind the fraternal countries, and in meeting the requirements. The per capita consumption of plastics is less than one kilogramme per year in Hungary, and only part of this is manufactured here. The per capita output of plastics in the more advanced industrial countries is from five to ten times that in our country.

The speedy progress made by the plastics and synthetic fibre industry throughout the world may be attributed to its high productivity, and to the fact that it makes it possible for man to produce useful material which nature does not yield. Thus, material formerly used can be substituted with material which is less expensive or of better quality. Moreover, such materials meet technical specifications which were hitherto unrealizable. We began manufacturing modern plastics in 1958. According to the directives, we shall manufacture 6,000 tons of PVC, 2,400 tons of Perlon, 5,000 tons of caprolactam and other plastics by 1965.

The development of the plastic industry will make it possible for engineering to manufacture up-to-date products and to cut the weight of the machinery. Plastics will help to modernize the building trades, reduce the metal and timber requirements, improve the quality and reduce the costs of building. The development of the plastics industry will augment the raw material basis of industry as a whole. The population will be supplied with a greater selection of better quality consumer goods. By developing this industry, we shall be able to reduce the range and quantity of imported raw material. Thus, besides saving foreign exchange, the transport load will be reduced.

Our approach to the manufacture and use of plastics should be a many-sided one. We intend to develop the manufacture of plastics while expanding the processing industry. Up-to-date equipment must be procured for the processing industry. With a few exceptions, the present machinery for processing plastics is obsolete, and this factor acts as a brake on the many-sided use of plastics. Most of the machines are hand-operated, with very few automatic machinery. Engineering and other industries should make

preparations to use the plastics and to elaborate the proper designs and technology.

Agricultural production will be promoted considerably by a marked development in the manufacture of fertilizer.

The directives for the Five Year Plan call for a twofold increase in chemical industry output. By realizing this ambitious programme, we shall begin to do away with the backwardness prevailing in the chemical industry.

We have to increase labour productivity in light industry also by raising the technical level of the means of production. There must be a radical change made in the machine stock, especially in the textile industry where progress has been retarded for a long time due to the obsolete machinery in use. Owing to the obsolete machinery in most of the cotton mills a spinner handles half the number of spools worked by a spinner in the few mills with up-to-date machines. In the Miskolc Spinnery, for instance, which has more modern machinery, labour productivity is almost double that in the Pápa Textile Mill. In the former, a spinner handles 816 spools, and in the latter 480. According to the directives, the capacity of cotton spinneries is scheduled to increase 28 to 30 per cent, and that of wool mills 42 to 44 per cent. This will be done by raising technical standards and installing up-to-date machinery. There are few automatic looms in the cotton mills, they constitute about five per cent of the total. By switching from mechanically operated looms to automatic looms, productivity could be increased considerably. The labour productivity attained on an automatic loom in the Kispeszt Textile Mill is almost three times that in the Győr Cotton Mill where non-automatic looms are used to weave the same cloth. We aim to raise the ratio of automatic looms in the cotton mills to 35 to 40 per cent.

Technical standards in furniture manufacturing are also scheduled to be improved by installing up-to-date automatic and semi-automatic machinery. Mechanization cuts down considerably the time consumed by some labour processes. At present, glued parts have to be given fourteen days to set before further operations can be continued. This time can be cut down to two days by a new, modern process which has been developed. The time spent on polishing furniture can be cut one-fifth by switching from hand shellacking to varnish pouring which gives products of better quality. If we raise technical standards, we shall be able to double furniture production while considerably improving the quality as well.

Output in the food industry will be raised too, primarily by replacing obsolete technology with up-to-date machines, production lines, semi-automatic and automatic machinery. In addition, outdated processing methods will have to be

replaced by modernizing technological processes. Through reconstruction of the factories, we shall increase production with relatively little building work.

We intend to increase the capacity of warehouses and cold storage plants in addition to installing up-to-date machinery and technological processes. This too will promote economical production in industry.

In developing the food industry, we shall pay considerable attention to improving merchandizing methods. Not only shall we increase the variety, range and quantity of the products and improve their quality, but in line with the consumers' requirements, we shall distribute the goods more economically. More bottled milk and beer will be sold, for instance, and plastics will primarily be used to bring packaging more up-to-date.

We shall also have to make a drastic turn in raising the technical standards in building. The speedy development of the building trades and building materials industry is warranted especially by the 15-year housing programme adopted by the Central Committee and the Government. Comrade Kádár dealt with the significance of this programme and submitted its main data in the report of the Central Committee to the Congress. This programme will be implemented only if the building trades utilize new materials and adopt a new technology.

To improve the technical and technological standards in the building trades, mechanization will have to be intensified. The present machine stock requires renewal; up-to-date machinery which may be operated more economically has to be procured. On smaller and dispersed construction sites, machines should be used which can be moved easily and quickly. Special attention should be paid to mechanizing the so-called skilled work, for the lag is great in this area in particular. To raise technical and technological standards in the building trades, it is necessary to improve the workers' skill. Steps should be taken on time to train workers in the skill of operating machinery in line with the new technological requirements.

If we want to raise the technical standards in the building trades, we will have to make far greater use of modern building materials instead of the conventional ones. We will then be able to cut down the weight of the buildings, to apply building technology which will be more productive, and to reduce the time required for building. New building materials should be developed, based on the utilization of industrial refuse. More hollow building blocks, prefabricated concrete units, and various types of building blocks should be manufactured.

Modern building calls for a greater supply of cement. To meet the demand, we are building a modern cement plant in Vác, and enlarging

the capacity of other cement factories. Technical standards in the building materials industry will be improved through mechanization, especially in materials handling. This will also help to improve working conditions to a considerable extent.

As far as communications are concerned, we have to register considerable progress in raising technical standards on the railways. The importance of doing this is underscored by the fact that while the transport of goods approximately tripled compared to prewar times, the engine fleet increased only 27 per cent.

About fifty per cent of the engines are forty years old or older. There are very few Diesel and electric engines, which are more economical to operate. The condition of the permanent way is also below modern requirements. To run the railways more economically, we intend to put into service about 100 to 110 electric engines and 380 to 400 Diesel engines during the Five Year Plan. These measures will mean an annual saving of 1.3 million tons of coal. Steps should be taken in time to arrange for the maintenance of the Diesel and electric engines. The permanent way should also be modernized. With the speedy development of highway traffic, proper economical proportions should be established between the various transport facilities.

The highway system will have to be improved in line with the development of communications. Thus, we will lengthen the life span of the automobile fleet, make better use of it and reduce fuel consumption and operating costs. Dustless roads should be lengthened from the present 6,400 kilometres to at least 13,000 kilometres.

Effectiveness of Investments to be Increased

Not only did the share of the national income earmarked for accumulation fall drastically between 1954 and 1956, but it was far less than is usual in the socialist countries. This share diminished even more in 1957-58 because of the damages caused by the counter-revolution, and in addition a part of it had to be spent on repairing the damages. By overfulfilling the economic plans, we were able to make this good in due course to increase the share of the national income earmarked for accumulation. Accumulation for 1959-60 is approaching the dimensions usual in the socialist countries. During the Five Year Plan, we shall have to increase the share of the national income allotted for accumulation to some extent so as to speed up economic development accordingly.

An earlier fault of economic policy was the extremely low level of the effectiveness of investments.

Already during the Three Year Plan, we aimed in investments to give consideration to these experiences. When setting the investment

targets, we improved our work considerably in allocating the funds to the various industries and developing internal proportions. However, when it comes to concentrating the investments and observing the deadlines for execution, the results have been inadequate.

In the Soviet Union, for instance, the time norm for building a 200 megawatt thermo-electric station is 42 months. Here, it took 88 months to build the Tiszapalkonya thermo-electric station which also generates 200 megawatts of power. It will take presumably 62 months to build the 92 megawatt thermoelectric station at Pécsújtegy and 66 months to enlarge the thermoelectric station at Ajka with a capacity of 100 megawatts. Protracted building operations result in considerable extra expenditures.

During the Five Year Plan, when making investments we shall be more consistent in carrying out the directives which, by and large, have been proved correct. We intend to spend 74 per cent of the state investments on immediate production purposes, putting 42 to 43 per cent of the production investments into machinery.

From 1950 to 1956, only 27.9 per cent of the production investments was earmarked for machinery. So the planned development is considerable, although still not satisfactory. The directives indicate that the share allotted for machinery in the investments for expanding production will still be less than that earmarked for this purpose in most of the socialist countries and in some of the advanced capitalist countries.

The production investments should be implemented without losing sight of the need to improve technical standards. We shall install up-to-date machinery and equipment and promote a high productivity. In new factories or those which have been rebuilt, the most advanced methods of labour organization should be applied. We should avoid the frequent practice of operating up-to-date basic equipment without utilizing their capacity—because of the lack of some auxiliary instalments or instruments—or by employing more labour than is necessary.

The accelerated tempo of modern production and technical development is also reflected in the changes which have taken place in the composition of commodities imported. By 1959 we more than doubled the imports of machines and precision engineering goods compared to 1955. And by 1965, these imports will go up around 60 per cent compared to 1959. The increase in imports also indicates that we are speeding up reconstruction of the old factories and increasing the ratio of machinery in investments.

We shall have to concentrate our resources on a few areas because of the limited funds available for investments. The failure to do this would mean that we would start too many

investments again without the resources to complete them, thereby pinning down our economic resources for a protracted time unnecessarily. That would be at the expense of the rate of development and, in the final analysis, of the living standard. We shall rather undertake less but execute it as speedily as possible.

The regional distribution of industry is also partly linked up with the investments.

After the directives had been published, the regional council bodies, the county Party committees as well as some ministers and economists pointed out that it would be expedient to direct more effort towards hastening industrial development in the provinces. Industrial development in the provinces would reduce transport problems, migration within the country and overcrowding in Budapest, among many other advantages.

From 1949 to 1956, 87 factories were built in the provinces, including big factories such as the Danube Iron Works, the Chemical Combine at Kazincbarcika, the Debrecen Ball-bearing Factory and others. These investments to develop industry in the provinces were considerable, but the preponderance of industry still remains in Budapest. Industry in Budapest accounts for 51.5 per cent of the output of state industry, and 46.3 per cent of the industrial workers are employed in the capital. This fact also has adverse consequences.

We have devoted more attention to this problem since the directives were published, and it appears that we may go ahead somewhat more rapidly as far as industrial development in the provinces is concerned. First and foremost, factories in Budapest which have no reason for development in the capital should be moved to the provinces, and we will have to be more consistent in carrying this out. There is a lot of procrastination on this issue, and it is not difficult to find the reason for it. There are still very many people around who call themselves patriots or Communists but who place their personal comfort before the interests of the economy. Evidence of this is the fact that 77 of the 379 managers of enterprises in the provinces live in Budapest; 45 chief engineers and 44 head bookkeepers of these enterprises are residents of the capital.

Firmer measures are called for especially where the economical production of industry in the provinces is a matter of dispute. In most instances these debates deal with materials which may be found or produced in the provinces. (Cases in point are, for instance, questions of utilizing natural gas and hot springs, the meat industry, the milk industry, and the food industry in general, the "primary materials" of which are not produced in Budapest, as is commonly known.)

I wish to remind our planning agencies, ministerial executives and experts that *the Party holds that industrialization of the provinces is an important prerequisite for the continued sound development of the national economy.* And the Party expects the competent persons to deal with this problem accordingly.

Experts and Innovators Should Tap Latent Reserves

Automation is a major vehicle for technical development in the more advanced industrial countries, and thus in the Soviet Union too.

We are not in a position as yet to set widespread automation as the major task in the second Five Year Plan. That would mean overreaching our strength. But it is obvious that we must make notable and more rapid progress as compared to the present state of affairs. During the third Three Year Plan, we should count on a spurt ahead in technical development, precisely by applying automation in every sphere.

To a large extent, improvement in technical standards is bound up with scientific work. We expect our experts and scientific workers to tap the reserves latent in industry. Partly by doing that and partly by utilizing new machinery and equipment, they should develop a production technology which will comply fully with the specific features of the national economy and act as the best accelerator for our development. The designers should develop machinery and equipment which, when manufactured and put into operation, will bring us close to the level attained by advanced industrial countries. The work being done by our research institutes should also be examined from this point of view.

Our state expended considerable effort to establish and maintain the research institutes. If these institutes made a better selection of research themes while avoiding overlapping and often sterile work; if they concentrated their forces on solving problems posed by practical work, then their activity would bring far better results.

Especially during the past three years, the experts employed in the factories and designing institutes have demonstrated countless times that they know how to make good use of the opportunities offered by our socialist system to creative expression. For several years a debate was waged in Hungary around the issues of whether or not there was an "overproduction" of engineers, technicians and other intellectuals. This preposterous question has become a thing of the past. Today the intellectual workers realize that there are not too many but rather too few trained intellectuals to tackle the enormous job which has to be done. Aware of the economic development, they feel secure in their own future too. *Our Party has respect for the knowledge of the experts and their activity in*

socialist construction. And while they are accomplishing the new, modern technique, the Party asks them not to overlook training and expanding the skill of the people who have the task of turning out a higher-level performance on the job with the aid of the new technique. The technical workers will be capable of attaining even more impressive results by becoming cemented with the manual workers, teaching them and, in turn, learning from them.

The participation of the employees in the innovators' movement is a major factor in raising technical standards. The creative initiative of the working people, the unity of individual and social interests are manifest in the innovators' movement of which the labour emulation is an integral part. Although the data give a relatively favourable picture of results attained in this sphere—indicating a saving of 3,000 million forints for 1958—we cannot say by any means that everything is shipshape. On the contrary. We could cite countless instances of bureaucratic administrative work, of shelving innovations and judging them slowly. The rate at which innovations are put into practice and applied cannot be considered satisfactory by any means. The economic executives should view the innovations as the embodiment of the workers' wealth of experience and as the important force which will advance our development. They should show esteem and respect for the extra effort exerted voluntarily by the working people to improve the life of all the people.

Make Better Use of International Cooperation

The widening cooperation among the countries of the socialist camp—especially within the Council of Mutual Economic Aid—is an important factor in raising technical standards. This cooperation is growing richer, and the results of it are unfolding more and more. The relations between these countries are extending to many other economic fields and thus are tapping additional reserves for the development of our economy. The Moscow Conference, held in May 1958, ushered in an important phase of further development in the activity of the Council of Mutual Economic Aid. At that Conference, the Parties—headed by their First Secretaries—discussed the results of cooperation and adopted important resolutions, especially in the interest of coordinating long-range plans. The exchange of manufacturing processes and of technical and scientific knowhow, as well as cooperation among research and scientific institutes, are becoming more and more widespread. But besides all this, there is one fact of overriding importance: reciprocal shipments of means of production, equipment and complete factory units are increasing constantly.

The growing results of the work of the CMEA and expanding cooperation among the countries of the socialist camp give us a real anchor in our work of economic development, facilitate planning in greater perspective, promote scientific research, and enable us to draft our plans more thoroughly. Specialization of production and thus the introduction of advanced methods of labour organization not only act as a driving force for improving technical standards but are the prerequisite for it.

Although considerable results have been attained in production specialization, we are not at all utilizing the possibilities presented by cooperation among the fraternal countries. We still manufacture some engineering products in small series and with a backward technique, although these articles may be manufactured by some other socialist country under far better circumstances, at smaller cost, in a better finish and with a higher level of productivity. We believe that the fraternal countries could deepen their contacts further in the specialization of production.

Without losing sight of the interests of the socialist camp, we should aim at further improving cooperation and the specialization of production by making well-prepared recommendations at meetings of the CMEA, talks held on certain industries, and at the bilateral conferences on technical and economic cooperation. To the extent that closer cooperation develops among the countries building socialism, they will have greater opportunities—hitherto unexplored—to reach their goals quicker than had been anticipated.

The volume of trade in our country rose with comparative speed, increasing 66 per cent between 1951 and 1958—including an 81 per cent increase in trade with the socialist countries and a 36 per cent rise in trade with capitalist countries. Trade will continue to rise during the second Five Year Plan. Foreign trade is scheduled to go up 65 to 70 per cent by 1965 compared with 1958.

Together with this increase in trade, the composition of commodities is also becoming more favourable. In 1938, machinery and precision engineering products constituted 9 per cent of Hungary's exports. In 1958, they made up 36 per cent of our exports. This also clearly reflects the extensive change which has taken place in our national economy.

The implementation of the goals of our economic policy is manifested in the commodity composition of foreign trade as well. In 1958, the export of machinery and precision engineering products was 33.8 per cent higher than in 1955, with the export of telecommunication products rising 43.7 per cent and instrument exports 99.4 per cent. The export of exceedingly

economical complete factory units was over four and a half times as high.

The ratio of the export of machinery and precision engineering products to total exports is scheduled to rise from 36 per cent in 1958 to 55 to 60 per cent by 1965, including a more than twofold increase in the export of complete factory units.

The economic development of the socialist camp is accumulating speed. Now the day is within sight when we shall outstrip the capitalist world in industrial production, thus winning a gigantic victory for the socialist system of society. *The time of our victory in the peaceful competition can be brought closer by coordinating the economies of the socialist countries better, supplying mutual aid and support, and enriching their comprehensive cooperation.*

An Advanced, Large-scale Agriculture

Agricultural production too will have to be increased for the sound development of the economy. Our target for agricultural production during 1961-65 is 30 to 32 per cent higher than that for the period 1954-58.

About 50 per cent of the arable land of the country is cultivated now by large-scale farms. Part of these farms, however, are not carrying on advanced, actual large-scale farming. They are not making use of the possibilities inherent in large-scale farming in the organization of the various stages of production. This results in a low productivity of labour and high production costs in agriculture.

During the coming years, we shall take an important step forward in the development of advanced, large-scale farming. The continued mechanization of production is a highly important step in this direction. The directives call for raising the number of tractors to 62-63,000 by 1965, about two and a half times higher than in 1958. Agriculture will be supplied with over five times as many tractors during seven years as during the period 1949-1956. In 1965, there will be one tractor per 213 acres, as against one per 481.3 acres in 1958. Thanks to the increased use of machines, the harvesting of grain and major fodder crops, as well as the sowing and cultivation of maize and potatoes, will be largely mechanized by 1965.

In addition to mechanization, the use of fertilizer is an important factor in raising crop yields. That is why we have set the target of increasing, by 1965, the use of chemical fertilizer threefold compared to 1958, raising it to 150 kilogrammes per 1.42 acres. That is an important step forward. We must note, however, that the amount of fertilizer used per acre in Czechoslovakia is more than four times as high as in Hungary; in Austria, it is five times higher and

in the GDR almost nine times higher. This indicates that, while we shall be making strenuous efforts during the second Five Year Plan towards using more fertilizer, the overcoming of the lag will remain a task for the third Five Year Plan as well.

Irrigation is another important factor in large-scale farming. At present irrigated farming is pursued on an area of approximately 220,000 acres. The directives call for an increase in the irrigated area to about 512,000 acres during the five years. This will be done by making use of simple and inexpensive methods of irrigation, utilizing our present facilities better, and setting up new, up-to-date irrigation plants. That will make it possible to extend irrigation, primarily for cultivating fodder and root crops.

We shall also make considerable progress in extending advanced farming methods during the coming years. Hybrid maize was sown on 7 per cent of the maize-sowing area in 1958. In 1959, the area was increased to 40 per cent. Added to the favourable weather, this was a major factor in the bumper harvest we had. The building of storage-dryers for hybrid seed will make it possible to grow hybrid maize on 75 per cent of the sowing area by 1961, and on 100 per cent of the area before the end of the Five Year Plan.

Many large-scale farms used square-drill cluster planting this year, especially for silage maize. But the majority of our large-scale farms are still planting maize with the old methods, although it is not suitable for the full mechanization of cultivation.

Yields of 20 to 25 quintals of maize per acre can be attained by the use of advanced large-scale farming methods. Initial steps have been taken in a number of counties to attain more, 30 quintal per acre. And that is correct, for it is the only way to produce more, and cheaper, meat, milk, butter and eggs within a short time.

Important progress has been made in cattle breeding during the last three years. We must do away, however, with the aversion towards the new which is sometimes sharply noticeable, and then we shall register results which are outstanding even on a world scale. Many of our large-scale farms are shying at extensive pig breeding. That is also due to conservatism, to sticking to the practices of small-scale farming on large-scale farms. They still fail to realize that one person can tend several hundred pigs by the use of advanced methods. This will also result in the use of less fodder and cut down the fattening time. The large-scale farms can thus make pig breeding highly profitable.

Despite the favourable conditions for it, the socialist large-scale farms have shown little interest in poultry farming. Even where poultry farming was pursued, large-scale methods were not employed except in a few instances.

During the Five Year Plan, we shall establish several poultry and egg "plants" to meet the growing consumer demand for meat and eggs. One large-scale poultry-farm has been established where one person looks after 8,000 young chickens. This is an example to be followed in the future.

Additional measures will be taken to develop large-scale farming, such as further increasing intensive farming, more extensive adaptation of plant and animal breeds which bring high yields, a tenfold rise in the use of chemical weed-killers, and soil improvement on an area of 852,000 acres during the five years' time.

All the components of advanced, large-scale farming mentioned above, and many more, will contribute greatly to raising agricultural production. In addition, however, an appropriate organization of labour must be developed on the state farms and cooperatives to extend large-scale farming more and more and to increase the efficiency of labour.

These factors provide the basis for the targets of the Five Year Plan, which stipulate the following increase in average yields for some major crops: wheat, over 35 per cent; maize, 25 to 30 per cent; barley, sugar beets and potatoes, around 20 per cent. By doing this, we aim to meet the aggregate increase in agricultural production by the rise in productivity and, in addition, to release labour power for industry.

As far as livestock breeding is concerned, the theses for drafting the Five Year Plan set the major task of considerably increasing animal produce. This increase is to be attained not by adding to the number of livestock, but by sharply raising yields through improvement of breeding and feeding.

To meet the targets set in the directives for meat production and to reduce its cost, we shall increase the ratio of porkers within the pig stock. We set the target for meat production by estimating 12.85 tons of meat animals per 142 acres as an average for 1961-65 compared to the 9.7 tons in 1954-58. As far as milk is concerned, we want to increase output from 17,000 litres to at least 26,000 litres per 142 acres. Accordingly, the annual milk yield per cow should be 2,700 litres by 1965, and 3,500 to 4,000 litres on the state farms.

If we intend to solve the tasks designed to increase production, we shall have to *continue developing and consolidating the cooperative farms* in both the political and economic spheres. Within a short period of time after they are established, the cooperative farms should increase their output considerably, expand the production of commodities constantly, and strengthen and develop farming in common. Only in this way will they be able to guarantee their members a growing income.

The state will continue to support the cooperative farms in the future, especially in the form of investment credits. The condition for comprehensive state assistance is for the cooperative peasants to contribute their own resources and diligent labour towards developing an advanced, large-scale farming.

The theses state, "All the necessary conditions must be created for completing the socialist reorganization of agriculture in the years ahead by convincing the individual peasants and cooperating with them."

As far as the individually farming peasants are concerned, we intend to continue, during the Five Year Plan, the policy which we have developed during the past few years. Our economic policy is designed to exploit the production potentials within the limits of small-scale farming too, until the idea of switching over to large-scale farming matures in the thinking of the individual farmers. Of course, we shall promote this process by carrying on explanatory work. The state is concluding production contracts with them and purchasing their surplus produce. *They should realize, however, that the sole correct path to their elevation is the switch over to advanced, large-scale farming.*

The measures instituted to increase production should raise purchases 40 to 45 per cent. In the interest of solving this task, something should be said about the system of purchasing agricultural produce too.

The system of obligatory delivery quotas, and the low prices paid in particular, did not encourage the producer to increase production, including commodity production. With the aim of supplying the country's needs, administrative measures were often resorted to, which undermined the workers' and peasants' alliance and had an adverse effect on security in production. We have eliminated that harmful practice and others similar to it, and replaced it with a producing and purchasing system, which is far more in line with the interests of the peasantry and the national economy.

The past three years have substantiated the correctness of our purchasing system. In 1958, we purchased fundamentally the same amount as in 1955 which, as is commonly known, was a good year for agriculture. In 1959, we shall presumably purchase 8 per cent more than in 1958. However, the impact of the purchasing system on the development of intensive farming may best be gauged by the fact that, in 1958, we purchased 25 per cent more animals and animal produce than in 1955 and shall purchase 37 per cent more in 1959.

Also, the trend in agricultural production in line with requirements should be encouraged by developing the purchasing system and observing contractual commitments. From that point of view, systematic political work, the sizing up

of needs in advance, and a correct price policy assume immense importance. If one of these facts is missing or unsatisfactory, trouble may arise in purchasing, as we observed in the case of some agricultural produce recently.

We Continue to Improve Living and Working Conditions

In the report of the Central Committee, Comrade Kádár dealt in detail with the extent of improvement planned in the population's living standard and satisfaction of their social and cultural requirements, and the methods to be employed. I believe that exempts me from going thoroughly into this question which is of decisive importance and close concern to everybody. Therefore, I merely wish to point out a few related questions which underscore the sound foundations of the theses.

The theses call for a 40 to 45 per cent increase in the fund earmarked for consumption in 1965 compared to 1958. Since the population will increase by then, per capita consumption may be expected to rise to a smaller extent—30 to 35 per cent.

During the Five Year Plan, real wages will be increased mainly by a 26 to 29 per cent rise in wages. We intend to raise the living standard by cutting prices too. The extent and scope of the price reductions will be determined by conditions shaping up in production.

We also find it necessary to increase the population's real income by further expanding the pension system and family allowances. Consequently, we shall improve the position of superannuated employees and that of large families.

We shall improve working conditions too during the Five Year Plan. Therefore, we have set the target of continuing to mechanize heavy physical labour. We shall continue to reduce hours of work on jobs which involve health hazards. In 1958, only 25 to 30 thousand employees engaged on such jobs were working less than 48 hours per week. In 1965, 300 to 350 thousand employees on jobs of this nature will be working less than 48 hours a week. We shall also reduce the working time of employees who, for various reasons, are working more than 48 hours a week. Of course, the reduction in working time will be organized in such a way that it will not result in a reduction in wages.

The theses present the changes planned in consumption. The volume of retail trade is scheduled to rise 46 per cent in seven years' time, including the following increases for some staple goods: foodstuffs, 30 per cent; clothing items, 57 per cent; other manufactured goods, 65 per cent.

The composition of consumption will change in line with the rising standard of living. This change

should be studied constantly so that production may react in due time to the new requirements. That is the only way we will be able to avoid confusion and occasional shortages of goods due, in part, to gauging requirements perfunctorily. We shall also have to study the shift in demand brought about by the transformation of small peasant farming into socialist large-scale farming. The requirements of the cooperative farm peasants already differ from those of the individually farming peasants.

In connection with raising the living standard, the theses stress that more important tasks have been set in the social and cultural spheres. *Our people's social welfare services and cultural standards are growing substantially.* The youth have better opportunities for study. Educational standards, on both the lower and higher level, are rising. And we are also making substantial progress in the introduction of polytechnical training.

In the future there will be essentially more hospital beds, doctors and nurses for the care of the sick. Better meals and an improved supply of medicines will be provided in the health institutions. We are expanding child care and providing additional accommodations in the crèches and nursery schools. Greater concern will be devoted to single, superannuated workers. More places will be made available for them in the homes so that they may spend their old age in peace and tranquillity.

During the plan period, considerable funds will be spent to solve the tasks mentioned. About 40 per cent more is to be spent for purposes of social welfare, culture and public health.

Significant progress will also be made in developing public utilities. The water supply will be expanded, thereby providing good, wholesome drinking water for an additional 1.1 million people. Gas will be laid on in an additional 120,000 households.

The highways and city communications will also be improved. We shall put into service 460 electric streetcars and trailers as well as 1,250 buses to relieve the overcrowding in passenger service.

We are making considerable advance in developing television too. The television network will be built up to an extent where programmes are being beamed to all regions of the country. The television has helped to bring culture closer to the people, placing the best operas, plays and films within the reach of hundreds of thousands of people. Through the medium of the television, it has been possible to present comprehensive and fresh news on all facets of life in our factories, towns and villages, the universe of technics and culture. The television brings people living in the various regions of the country closer together, enriching and cementing contact among the peoples. TV gives more sub-

stance to life; it is a medium of entertainment and education. At present, there are only 30,000 television subscribers. By 1965, we shall have 450,000 TV sets in circulation.

Electrification of the villages has enormous importance for raising the population's living standard. Electrification proceeded at a snail's pace in the old days. The goal of electrification then was not to drive darkness out of the villages, but, first and foremost, it served the interests of the big landowners. In the fifty-seven years which preceded Liberation, 1,318 villages and towns were supplied with electricity. During the fifteen years of our People's Democracy, we brought electricity to 1,450 villages, and now most of the villages have electricity. The towns are growing brighter, and the installation of neon lights in the cities is under way. Per capita electric power consumption has more than tripled compared to pre-war consumption. *Electrification of the rural areas will be completed during the Five Year Plan, thereby holding out almost unlimited opportunities to every village in Hungary to raise its cultural standards.*

Improve the Standards of Economic Management

The concluding sections of both documents published prior to the Congress *designated the continued improvement of leadership standards* as a major postulate for future economic development and implementation of the plans.

When drafting the second Five Year Plan, consideration must be given to experience acquired so far. That is the only way we shall be able to develop what was good and to discard what proved faulty.

What are the main lessons to be drawn and generalized from our work of fulfilling the Three Year Plan?

The leading economic bodies should give greater consideration to the creative abilities of the working people and to untapped reserves within the economy.

In all spheres, economic management should consider the global interests of the national economy.

To solve the tasks, they should rely more boldly on the lower bodies, on the enterprises, even without detailed instructions.

Confidence must be placed in the executives and in the working people. This confidence is making itself felt in valuable accomplishments.

This confidence should be coupled with recognition of results, and with consistent calling to account in the event of errors.

The central bodies should make far-sighted decisions on major economic questions and, subsequently, organize the control of implementation better.

The principles of democratic centralism,

which have prevailed in economic management to a far greater extent than in previous years, have been a contributory factor in the results attained during the past three years.

Central leadership was strengthened in some spheres which have a decisive importance from the point of view of economic development. At the same time, we turned over countless matters to the lower economic bodies. We must proceed further in this way. We are still planning many things "on top," which could be executed better by concentrating and coordinating planning "at the bottom."

Our methods of giving guidance have many bureaucratic features. Leadership becomes difficult and circumstantial because of the many superfluous rungs in the structure of economic management, factors which also retard the creative initiative of the lower bodies.

Undoubtedly, we too will have to institute a measure similar to that taken in most of the socialist countries in reorganizing economic management. However, this should be well prepared by analyzing the measures we have taken up to now and by studying the experiences of the fraternal countries.

But until that is done, the present organizational forms can and must be improved a lot.

We should demand that the economic executives at all levels become much better acquainted with their area of responsibility.

We should pay more attention to raising the professional standards of the executives. We must demand that the leaders themselves give thought to becoming executives with real one-man responsibility in the field they are managing.

Our economic executives will have to realize that keeping their word, displaying firmness and placing demands on their own work and that of others, are indispensable conditions for leadership.

We should review responsibility connected with investments and the system of material incentive. The present system is too complicated. Many people are responsible for implementing the investments, and it is not always possible to determine exactly who is responsible among the many. Often it takes so long to reconcile the ideas of the various bodies that the investments get off to a belated start and are unnecessarily protracted, while considerable damage is done to the national economy in the meantime. Then too, the material incentives do not always act in the appropriate direction.

The biggest fault in the entire economy lies in commissioning, planning and executing the investments. In the past, the investments were dispersed, and, unfortunately, the same tendency may be noticed at present.

Professional and ministerial chauvinism, local patriotism, that is giving priority to local interests above the interests of the national economy, are noticeable again very often. This

is obstructing further decentralization, the handing over of authority and expansion of the powers of local bodies.

Enlarged powers should be accorded only to those persons who are able to sense and realize that this also means greater responsibility.

Despite the numerous shortcomings still prevailing, economic management developed substantially during the past three years. That process was encouraged to a large extent by implementation of the principle of material incentive, which was more correct than in previous years. However, we must take a stand against the idea of relying exclusively on material incentives to attain results. Time and again in the course of socialist construction in our country, people imbued with faith in the victory of socialism, and impregnated with socialist consciousness, have proved that, in response to the Party's appeal, they are capable of performing miracles and transmitting their enthusiasm to the masses of working people if the tasks are clear and unmistakable. An economic executive who gives up that tremendous force and attempts to settle every matter with a bonus is committing an irremediable error.

Foresight is the fundamental requisite for good leadership in all spheres and at all levels. And this necessary foresight is acquired by constantly analyzing the progress registered, systematizing the experiences, and checking up regularly on execution of the measures taken.

We have good reason to say that the economic policy we pursued during the past three years was successful. We may add with full confidence and right that we quickly surmounted the difficulties caused by the counter-revolution and our economy is sound. Our foreign debt did not increase but was reduced. In other words, we are standing on our own feet.

We registered another achievement, which has had an enormous impact on economic development: the ties of the Party with the labouring masses changed radically during the past few years. Consequently, the working people speak up frankly on all issues. They are proud of the accomplishments, and are solicitous in their concern not only to make them lasting but to add to them as well.

However, they also realize that a stage is ensuing which differs from the present one in quality, that we must work with a longer perspective in view. What is now needed is no longer to repair the counter-revolutionary damages, or to eliminate the faults issuing from the former economic policy. What is needed is to complete the laying of the foundations of socialism and to speed up socialist construction. It is anxiety for the cause of socialism that induces people to ask: "Tell me, did you weigh all the possibilities? Have you shown the proper foresight? Won't there be confusion again? Aren't we

committing the same or similar mistakes as were made before the counter-revolution?"

We have to answer these questions. And it is not difficult to answer them if we intend to reply in line with our communist convictions. We can say, frankly and with a clear conscience, that there will be no confusion; that we shall not commit the mistakes made in the former economic policy. We are warned against repeating the old mistakes because we know the causes of them, and it is not difficult to gauge their adverse effect. We shall be on the alert to make sure that those mistakes are not repeated either in economic policy or in methods of economic management.

We cannot rest at ease, however, from one point of view. There is still not sufficient foresight in economic management. We are studying the economic measures which were instituted prior to the counter-revolution and proved to be incorrect. And it is good and proper for us to do so. But we are not studying, or at least not enough, the impact of the measures taken during the past three years, which, fundamentally, were correct. Consequently, we reach the point, more and more often, of being compelled to take overhasty measures.

I should like to back up what I have said by a few examples.

Owing to diverse reasons, the vineyards and orchards deteriorated in the years preceding the counter-revolution. We recognized the fact and took appropriate measures. The outcome of those measures were apparent in the grape and fruit crop. But we did not prepare for that in a planned way. Consequently, when implementing the correct resolutions, we were compelled to resort to overhasty and inefficient measures, for instance, when providing for the necessary storage space.

Or let us take another example. The cattle stock did not develop adequately prior to the counter-revolution. Both the slaughter weight and milk yields were low. We took appropriate measures to improve the situation and, in 1958, the slaughter weight was 63 kilogrammes higher than in 1955. The milk yield per cow rose from 1,697 litres to 2,105 litres and, in 1958, we purchased 32 per cent more milk than in 1955. We took the required measures, but the appropriate foresight was absent. And, in the course of the work, we had to give overhasty thought, with poor economic effect, to providing more dairy equipment and transport for more milk.

Questions of this nature are worthy of attention in other respects too. For instance, we introduced the new production prices on January 1, 1959. The price adjustment was fundamentally correct. Results are already apparent, especially in the saving of materials. But we should have had the foresight to realize that

in the factories less attention would be paid to pay-roll economy.

We introduced a system of profit-sharing which proved to be correct. There is far less migration of labour from factory to factory; the factories have a more stable permanent staff; the average employee deals more profoundly with major factory problems. The end-of-the-month rush has been reduced, and so has the rush at the end of the quarter, although to a lesser extent. But there are some negative features of the system too. It has not reduced the end-of-the-year rush, because it offers only a one-year perspective. It does not provide an incentive at the factory level for thinking in advance for several years, or for taking technical and economic measures which will be profitable later on directly for the national economy and the factory employees. In addition, the profit-sharing operates periodically towards local patriotism, the placing of local interests above those of the national economy.

With reference to economic management, it should be stated that we must not tolerate mistakes, defaults, squandering of material wealth and irresponsibility at any level under the excuse that, "even so, the results are really fine." The only correct notion on this issue is that the achievements could have been far greater without those shortcomings. The time has come to switch over, from indulgence, to warning people and calling them to account. And the competent Party bodies and the Government must set an example in this respect.

Bring the Cause of Socialism to Victory in Hungary

We considerably overfulfilled the targets for the first two years of the Three Year Plan. By implementing this year's plan, we shall attain the goals recommended in the March resolution of the Central Committee, and fulfil the major tasks set for 1960 by the Three Year Plan. The successes registered in production are also becoming apparent in the population's rising living standard.

This overfulfilment of the plan is a tremendous victory for our people and the Party. It demonstrates that the working people understood the Party's recommendations; that they are working industriously and with enthusiasm to attain the goals set by developing socialist labour emulation on an extensive scale.

The 1960 plan confronts our people with tasks of a far more complex nature; but these tasks can be solved, and the material requisites for it are guaranteed by the plan. *The main requisite is the ambition of the working people—and especially of the working class—to work, their creative ability and, moreover, the auspicious political climate.* The Congress will sum up the

experiences of the past few years, designate the tasks and clearly show the way towards continued socialist construction.

The Three Year Plan called for a 22 per cent rise in industrial output compared to 1957. In 1958, the actual increase in industrial output was 12 per cent, and apparently it will not be less this year. If output goes up only 8 per cent next year, industrial production will still be 35 per cent higher than in 1957. In other words, we shall exceed the rate of development set for the Three Year Plan by over one and a half times.

The theses for the Congress set an annual rate of a 7 per cent increase in industrial output. This figure is not only essentially smaller than the increase last year and this year, but it is also somewhat less than the average rise for the seven-year period 1952-58, although during those seven years there was plenty of confusion in economic policy and also a counter-revolution.

We do not want to fall into the old mistake of planning in line with our wishes and notions without material foundation, instead of taking realistic data into account. Therefore, the Central Committee does not recommend to the Congress to set figures for more rapid progress without further investigation. But we do suggest, with full conviction, that the Congress should call urgently the attention of the new Central Committee and of the planning agencies to the need for reviewing the rate of development, the tapping of the reserves, and the removal of the obstacles hampering the more rapid development.

The estimates set forth in the theses are well founded. They are also ensured, by and large, as far as foreign trade is concerned. Our Planning Office had already coordinated the decisive part of the planned imports and exports with the planning offices in the fraternal countries; therefore, it is also in line with the plans of the fraternal countries. The labour power required for expanding production is at hand. The installation of new, up-to-date machinery for increasing output and productivity is also ensured. We can also take into account the rising professional level, growing experience and knowledge of our economic executives, engineers, technicians and workers. The theses also made allowance for the necessary reserves.

In essence, our Three Year Plan was drafted on a similar basis, and so were our annual plans. That is why we may conclude from the overfulfilment of last year's and this year's plan that *in the course of further planning we can essentially increase the estimates set for the Five Year Plan by the theses.*

In the theses, the Central Committee set only those goals whose feasibility can be proved. But the Central Committee believes it possible

and absolutely desirable to exceed those goals, if for no other reason than to overtake world standards as soon as possible, and to arrive at a communist society historically at the same time as the other socialist countries.

The theses for the Congress and the principles of the second Five Year Plan also reflect the varied and extensive tasks confronting all Party organizations and all Communists in all economic spheres. Now that the Party has elaborated the principles governing the country's economy and the improvement of the people's well-being, it is time to do the practical work of organization.

As the role of the working people widens in the organization of economic life and the direction of society, so too the leadership of the Communist Party has to increase in organizing the economy. Only the Party is capable of organizing the building of the new society.

Added importance is given to the Party's activity of economic organization by the fact that peaceful economic competition between the socialist camp and the capitalist countries has entered a qualitatively new stage. We must perform our work of economic organization and raise it to a higher level, considerably overfulfil our Three Year Plan, elaborate and honestly fulfil the Five Year Plan, in line with our potentials, with an awareness that our accomplishments will reinforce the socialist camp and peace. To quote the theses for the Congress, *"In this way, our people will be contributing to the defence of peace and the victory of the socialist system in the peaceful competition between the two world systems."*

The socialist consciousness of the working people will also increase owing to the Party's work of economic organization. A socialist society is built on the conscious activity of the masses. The rate of our development is speeded up by the increased consciousness of the working people. That is why socialist emulation, the Communist method of building socialism, has such a tremendous value.

Socialist emulation is an important medium for educating the masses of working people. The development of the emulation changes the views of the masses about work and gives free rein to the spontaneous activity of millions of people. The results we have attained in production are eloquent proof of the power of socialist labour emulation.

Higher forms of labour emulation are also developing in our country. The politically more conscious working people not only pledge to meet higher output targets, but they also feel obliged to help those who are lagging behind. The members of the socialist brigades are endeavouring to develop their professional and general knowledge. Characteristic of their endeav-

ours and moral standards is the higher level of consciousness of the new men building our socialist society.

It is difficult to comprehend how incapable some of our economic executives are of realizing and utilizing the advantages offered them by our society building socialism to facilitate execution of their tasks. One is bound to ask impulsively: What is the matter? How can this attitude be accounted for? Is it self-satisfaction? That undoubtedly does have something to do with the matter. But the best answer to the problem lies in the methods of leadership. Some of our economic executives have become accustomed to primitive methods of leadership, to the old routine. They have become used to leadership by instructions—in getting instructions from above and issuing instructions to others. They are frightened of new ideas, because espousing and implementing them entails responsibility and more complicated work. They stick to the old ways because they are accustomed to those and are frightened of the new, since it is unfamiliar and risky. I fully realize, Comrades, that this does not apply to most of our economic executives. They profited from the mistakes; they have confidence in people and are assuming their responsibilities on the job. But wherever one comes across this conservative conception and attitude, it is the duty of the Communists to take a determined stand against it. The importance of the work of the Party organization in the factory is growing, the tasks are becoming more complicated. Hence the work of enlightenment, of organization and of initiative in production must be raised to a higher plane.

The mass organizations, primarily the largest organizations of the working class, the trade unions, are helping carry out the objectives of our Party related to production.

We must strengthen the valuable Party work of Communists active in the trade unions. Communists active in the trade unions should assist in preparing the Five Year Plan during the drafting stage already. They must prepare the workers to implement the plan. They must point out the relation between the interest of the individual and of the entire economy, and how the improvement of the life of the individual is linked up with the progress of society. They must make people realize that the conditions for raising the living standard are brought about by production, primarily by raising productivity. The trade unions should organize the education of the workers to widen their general knowledge and their technical skill, so that we may be able to make the best use of the advantages derived from technics and technology. Special attention must be paid to workers who have recently been drawn into industry. They should concern themselves more with the better organization of labour

and with innovations. They should see to it that the workers are enlisted extensively into the management of the factories through better organized production meetings and by improving the activity of the works' councils. They should give greater assistance in developing the system of wages, old-age pensions and family allowances, and in improving working and living conditions.

We have observed that, given the proper aims, the youth can accomplish outstanding results in production if they receive the guidance and assistance of the Party. Involving the YCL organizations to a greater extent in solving production tasks constitutes a considerable reserve for the organizational activities of our Party organizations in the sphere of production.

The YCL is faced with the task of developing the labour emulation which has been initiated among the youth to promote the national economy. They should become front-rank fighters in tapping the latent reserves in industry and agriculture. The young Communists should fan enthusiasm for the cause of socialism, not only in the ranks of the YCL, but among all the Hungarian youth, among all strata of the young working people. They should carry on their work of enlightenment, education and organization in the firm conviction that, once the heart, brains, enthusiasm and creative zeal of all strata of the youth becomes imbued with the consciousness of accelerating socialist construction, our youth will be able to accomplish grandiose tasks.

Our Party organizations are confronted with formidable tasks in the socialist reorganization of agriculture. The Party organizations should work to link up the socialist reorganization of agriculture with the simultaneous organization of large-scale farming which will bring higher crop yields.

The Party's activity in economic organization should be improved at all levels. The activity of the Party organizations in giving guidance and direction is becoming more efficient and of a higher standard. Instead of limiting themselves to passive control, they are becoming more active and are displaying greater initiative, studying and helping to solve economic problems. But this is by no means a general state of affairs. We have to eliminate completely the erroneous and harmful view that the job of the Party organization is limited to "pure Party work," while economic management is the sole task of the economic executives. The Communist economic executive should also feel responsible for the economic activities of the Party organization. The Party organization and its secretary should consider participation in economic management a major task. They should work, not only side by side, but together, to accomplish socialism.

The work of our Party organizations in economic organization should be aimed at the successful fulfilment of the Three Year Plan and the best possible elaboration of the Five Year Plan which will tap latent reserves on an extensive scale. To reach and overfulfil the targets of our plan for 1960, it is necessary, in cooperation with the trade unions, to organize and stabilize the socialist labour emulation which has developed so widely in connection with the Congress. They should see to it that the prevailing laxity in labour discipline and technological discipline comes to an end as soon as possible.

The Party organizations should involve the workers in tapping the latent reserves in the factories for drafting the Five Year Plan. They should make proposals for more economical production, for the raising of productivity and the technical level. They should organize constructive discussions on a wide scale about the most useful methods for reaching the targets outlined in the directives.

The Party organizations should carry on an unyielding struggle to overcome the mistakes and shortcomings in our economy. They should take a stand against placing local interests above those of the national economy, against giving preference to selfish interests instead of those of society. They should see to it that an atmosphere of open, straightforward and constructive criticism prevails everywhere.

Comrades:

I have attempted to outline in my report the development of our economy to be expected and desired during the coming six years. My aim was to give a clear picture to the delegates about the present position of our economy, including the difficulties of the tasks to be solved.

There is no doubt that if we discuss these problems with the working people with the same frankness that prevailed during the last three years, the working people will overcome these difficulties under the inspired leadership of the four hundred thousand Communists.

At present we cannot set the goal of surpassing the technical and economic level of the most advanced capitalist countries. However, the time is not too far off when this can be done in a realistic spirit.

We are gaining strength and self-confidence from the knowledge that we are a respected member of the socialist camp which, led by the mighty Soviet Union, is daily proving its superiority over the capitalist world to the hundreds of millions of common people.

We proclaim with unshakeable faith and conviction that, cemented with our working people, in firm unity with the other countries of the socialist camp, we shall bring the cause of socialism to victory in our country.

AMENDMENTS TO THE PARTY RULES OF THE HUNGARIAN SOCIALIST WORKERS' PARTY

Report by Comrade György Marosán, Secretary of the Central Committee

Comrades, Fellow Delegates:

Our Party rests on three pillars: on Marxist-Leninist principles; on the policy serving the interests and the progress of the masses; and on its organization which presupposes indissoluble unity.

At all times our Party has to pay great attention not only to ideological, political, strategical and tactical problems, but also to the elaboration of the principles and practice of organizing, leading activity. It is no accident that Lenin stressed so insistently the problem of organization. His conclusion, that the only weapon the proletariat possesses in its struggle for power is organization, is valid for all time. On the basis of the rich experience gained since then, we may add that although the working class already has additional weapons at its disposal after coming to power—such as state and economic power—still, the main weapon for the victory and advance of the revolution is a well-organized, Marxist-Leninist revolutionary Party. The Party Rules embody the principles of organization, and are the Constitution of our Party.

The Party Rules, now awaiting confirmation and approval by the Congress, register the theoretical and practical experience acquired during decades by the Hungarian and international labour movement. They are founded on Lenin's teachings and, at the same time, accurately reflect the experiences accumulated by the Hungarian labour movement.

There is no need any more to prove that the Marxist-Leninist ideology is as invincible as it is true. Humanity is marching towards the epoch foreseen by our great forerunners. One thousand million people are not only marching towards the elevating world of socialism but are living in it. The truth and correctness of the Communist ideas and revolutionary methods have been substantiated in practice in the changed life, the prosperity and the sweeping future of the peoples of the Soviet Union and the People's Democracies. It is an elevating and inspiring feeling to know that the organizational principles for which Lenin fought so strenuously against

the Mencheviks in 1903 continue to live, influence and guide all Communist and Marxist parties. Certain changes have been called for by the development and victory of the proletarian revolution, by socialist construction, but the basic principles have remained intact in their full brilliance. This holds true for our Party too. The Party Rules are not merely a comprehensive law governing Party life, but their principles influence all spheres of our social existence and are guiding us in our relations with the masses.

Our Party Rules have stood the test of history. The National Party Conference held in 1957 amended various paragraphs of the Rules and enriched them with new elements. These amendments comply with the Leninist principles of organization. They render good and practicable service to the everyday life and work of the Party organizations, promote Party building, and strengthen Party life. They are suitable for defining the further course of Party life.

The National Party Conference held in June 1957 adopted the following amendments which are important in principle:

The Party was named the Hungarian Socialist Workers' Party. This indicates the historical name which once played a role in the life of the Communist Party. Calling the Party the Hungarian Socialist Workers' Party proved to be right in the battle against the counter-revolution. It should be stated that not only does the Hungarian Socialist Workers' Party possess a history and revolutionary traditions, but it is also beloved, highly esteemed and recognized as the leader of the labouring people. The character of a Party is determined not by its name but by its ideological foundation and political aims. And now, to close the question: it would not have been proper to change the Party's name frequently. The labouring masses would not have understood this, the change of name is no longer a matter for debate. This is confirmed by the fact that the subject was not raised at all at the Party Conferences and Party membership meetings recently held to

elect new executives. This means that the whole Party membership agrees with the name of the Party, for they regard the Hungarian Socialist Workers' Party as a Marxist-Leninist Communist Party, as the vanguard of the working class.

The Party's vanguard character was strengthened during the Party's reorganization. The sons of the working class and our most class-conscious comrades-in-arms joined the Party, for the Party rallies primarily these masses. The class basis of the Hungarian Socialist Workers' Party is the working class. The Party is part of the international labour movement and is based on proletarian internationalism. The Hungarian Socialist Workers' Party is continuing the activity of the Hungarian Working People's Party in building socialism. In 1957 this had to be stressed in the face of those who were inclined to appraise the entire activity of the Hungarian Working People's Party from a negative point of view. It was necessary to clarify the standpoint of the Hungarian Socialist Workers' Party concerning the Hungarian Working People's Party, and to point to the ideological and historical continuity. In doing this, we stressed our views on strengthening the unity of the working class, on the worker-peasant alliance, on the leading role of the Party and on how it should be implemented. Why was that necessary? Because Anna Kéthly and her associates attempted to disrupt the unity of the working class during the counter-revolution. We had to take a definite stand against this attempt and to ensure the ideological, political and organizational unity achieved in struggle by the working class.

Prior to October 1956, the leading role of the Party was misinterpreted and distorted by the sectarians and denied by the revisionists. We spoke clearly about this question too.

The 1957 National Party Conference declared: The Party can fulfill its task, safeguard its unity and firmness only if it wages a relentless struggle against all kinds of revisionist betrayal and dogmatic distortion, for the unity of the Party is a vital question for the Party and the workers' power. In its everyday practical work the Hungarian Working People's Party failed to carry on an adequate principled struggle against deviations. The struggle was limited to organizational measures. The Party cannot tolerate in its ranks people professing hostile, revisionist views and cannot pass over sectarian errors; it cannot regard such views as venial sins. That is why the following amendment became necessary: "If a Party member differs with certain resolutions, he shall explain his disagreement to the higher Party body while carrying out the resolutions in line with the Party's principles."

Of considerable importance was the insertion of the paragraph which reads: "It is the right of a Party member to request that his name

be deleted from the Party rolls." Why was this necessary? Formerly one could not leave the Party, the sole possibility was expulsion. Many honest people were branded in this way without having deserved it.

This measure contributes considerably to ensuring the Party's vanguard character. It strongly emphasizes the voluntary nature of joining and resigning from the Party. It upholds in practice the principle that the Party is a voluntary militant union. There are now few in our Party whose aim is to protect their jobs and positions by being Party members, for Party membership does not entitle anybody to such protection. The number of those who left the Party during the past three years is insignificant.

A new practice has been introduced by a paragraph which states: "Non-Party experts may be drawn by the Central Committee into the discussing and drafting of certain resolutions. The drafts of certain resolutions of national importance will be submitted to all Party members for open discussion."

This right has since then been exercised by the Central Committee on several occasions. By drawing the broad masses of people into discussion of the problems, we have advanced democracy in our public life. This has augmented the Party's prestige among the non-Party masses; correct decisions have been arrived at, and their execution has become consistent. Suffice it to refer to the study made of the position of the working class; to the resolution on public health; or to the directives on the Party's cultural policy.

The workers' militia is a new armed organization, and the tasks of the Party Committees with respect to them had to be defined. The relevant paragraph declares: "The Party Committees direct the work of the workers' militia, guarantee their revolutionary discipline, fighting spirit, moral and political unity."

One of the amendments approved by the National Party Conference provides directives for Party branch organizations and Communists working in mass organizations: "They should guide social activity and the work of the mass organizations functioning in their areas. The Communists should win the non-Party members of the mass organizations for the Party's policy by carrying on political work of explanation."

Finally, the National Party Conference amended the provisions of the Party Rules relating to the Party organizations in the armed forces. Accordingly, the work of the Party organizations in the armed forces is directed on the basis of democratic principles, by Party bodies elected at every level. We have terminated the political departments at the State Railways and in part of the organs of the Ministry of the Interior. The Communists working in the armed forces, by availing themselves of the possibilities present-

ed by the 1957 Party Conference, gave new impetus to the work of the Party organizations. The majority of our Party organizations today are a decisive factor in the life of the armed units and bodies. Party guidance and control prevail to the proper extent.

Considering the experience of the past two years, the Party Rules adopted at the 1957 National Party Conference have proved to be correct. We propose that the Congress confirm the amendments recommended by the National Party Conference.

Comrades:

The fundamental law and guiding principle of Party leadership, its method and practice, is democratic centralism. Let us analyze its application.

Democratic centralism now prevails to the full in our Party life and state activity. The former leadership violated the principle of democratic centralism, distorted it a number of times and allowed only centralism to prevail in Party life and in other spheres of life. This distortion caused great harm. It disregarded the authority of the elected bodies and undermined their work. It weakened leadership, infringed on the rights of the Party membership, restricted the development of Party life and weakened the ties between the Party and the masses.

Waging a struggle on two fronts, the Party developed inner-Party democracy and consolidated central leadership. Prior to the 1957 Party Conference, at the time of the struggle against the counter-revolution and the reorganization of the Party, the democracy and independence of the Party organizations broadened, but in some places centralism was violated. We took a great step forward when we corrected this at the Party Conference in 1957. The resolution of the Party Conference declared: "The foremost task at present is to strengthen Party discipline in addition to observing fully the rights of the membership. While safeguarding fearless and unrestricted discussions prior to deciding issues, we must demand unified action in carrying out the resolutions. The provision of the Party Rules that the lower bodies are bound to carry out the decisions of the higher bodies should be fully enforced."

What motivated the Party Conference to place into the forefront the strengthening of central leadership, while preserving the democratic features?

The struggle for consolidation in all spheres demanded the strengthening of central leadership and of Party discipline. The decisive tasks confronting the Party—to safeguard the workers' power, successfully to continue consolidation—have necessarily required the strengthening of centralization. The experience of the past three years proves that we acted correctly. Centrali-

zation strengthened in the Party and thereby in state life as a whole, while the democratic features have grown stronger and deeper.

As regards the future, we should aim at the parallel development of both sides of democratic centralism. Inner-Party democracy, and all that it comprises—the observance of rights of the Party membership, mutual confidence, the democratic atmosphere of the discussions, criticism, self-criticism, collective leadership—have developed and will further develop soundly. A characteristic indicator of the strength and effectiveness of inner-Party democracy is the lively, fresh and spontaneous activity within the Party organizations. The Party has not slammed the door on the thorny problems, the questions occupying the minds of the masses. The Party is aware of these problems, speaks frankly about them and deals with them.

The cult of the individual led to the decline of democracy and, consequently, to dullness of Party life. This was manifested in formal conferences and resolutions and in isolation from the masses. Today we may safely say that our Party life is permeated with the pure air of democracy. This guarantees, among other things, the general implementation of collective leadership. We have restored collective leadership in our Party, the leading and guiding role of the elected Party bodies, beginning with the Central Committee and running throughout the whole Party.

What is the essence of collective leadership?

Collective leadership demands that the Party's Central Committee formulate the Party's correct policy on every single question on the socialist revolution on the basis of the principles of Marxism-Leninism. Collective leadership presupposes that all questions of the socialist revolution and socialist construction—the working out of the general political line, its implementation and the control of the work—are held in hand not by certain comrades, and not even by certain groups of comrades, but by the Central Committee as the leading body elected by the Congress.

The main line of Party policy, and its application to certain questions of the socialist revolution, is worked out by the Central Committee as an elected leading body. Therefore, the Central Committee must meet regularly and formulate its standpoint on every important question of Party activity and the country's life on the basis of thorough discussion. At the Central Committee meetings the possibility of extensive and manysided discussion must be ensured.

The principle of collective leadership demands that, when formulating its standpoint and adopting its resolutions, the Central Committee should—as far as possible—consult and consider the opinion of the lower Party bodies and the Party membership on questions on the agenda.

The extensive development and systematic

practice of Party-like criticism and self-criticism in Party life are indispensable to the principle of collective leadership—that means criticism from above downward and from below upward.

A new feature of the collective leadership developing and steadily growing stronger in our Party is that—before a resolution is adopted—non-Party people allied with us are also drawn into deciding on important questions. We profess that building socialism is the collective work of Communists and non-Party working people. Hence, if Communists and non-Party people have to join efforts to carry out the Party's resolutions, we consider it proper, before adopting these resolutions, to consult the opinion of the non-Party people in an appropriate form and way.

Collective leadership demands that the resolutions so adopted be implemented by the lower Party bodies and the whole Party membership in unison and without hesitation. The Central Committee should devote the same attention to carrying out the resolutions and controlling them as it did to adopting the resolutions.

All the lower elected Party bodies must make the principle of collective leadership the living practice of their activity. Great care should be taken in order that these Party organs correctly interpret the resolutions of the Central Committee and do not distort them in the course of practical work.

It is the constant task of the Central Committee and all the rest of the elected Party bodies to compile, evaluate and generalize the rich experiences gained in building socialism, and to utilize them fully in future Party work.

It must be stated, Comrades, that in the past things were different for years, but now collective leadership is prevailing in our Party in line with the Leninist principles, and its creative spirit is penetrating more and more, not only the Party, but our social and state life as a whole. We stand united in safeguarding collective leadership as the Party's cherished asset and a constant source of fresh strength. I believe I have to say here that the most fervent spokesman, the driving force and defender of this great source of strength, of collective leadership, is the Central Committee headed by Comrade János Kádár. The Central Committee will continue its efforts to develop and deepen collective leadership, which is the fundamental method of our achievements and further successes.

You are aware, Comrades, that meetings of the leading Party bodies, in fact even of branch organizations, are at present characterized by a bold discussion of important questions. This style of work helped the Party to bring about correct resolutions, and to mobilize the broad working masses to carry them out.

The reports and resolutions of the membership meetings held to elect new Party executives,

or of the Party Conferences, also resulted from collective work. The branch executives and district Party committees took into account the suggestions, desires and the will of the working people in their areas. Thus the great activity which characterized these membership meetings was not accidental. The upshot was that this democratic Party activity increased the feeling of responsibility of the Party members and the importance and the role of the elected bodies. The reduction of the size of the Party apparatus also promoted collective leadership to a great extent. Now, it is the general characteristic of our Party life that the Party committees have a wide network of activists. Since the number of full-time Party secretaries has been reduced, work is better distributed in the leadership of Party bodies. The division of labour among the elected bodies and the apparatus is better balanced and sounder. Apart from a few insignificant mistakes, the apparatus supplements the collective leadership properly. It carries out the measures and the resolutions of the elected Party bodies well and correctly. The preparation, the elaboration and presentation of the material is done in a Party-like manner, and after the adoption of a resolution there is consistency in carrying it out.

It should also be pointed out, however, that progress in this sphere has not been even everywhere. The trouble shows up mostly in those Party organizations where a lack of criticism and self-complacency have taken root, where the rights of the Party membership are not observed. We found instances where criticism was stifled. Violation of the Party Rules has also often occurred in disciplinary cases. In some instances decisions were passed concerning the affairs and the fate of certain comrades without giving them a hearing. In the future, the Party bodies must firmly call to account those who violate the rights of the Party members.

Comrades:

In future we shall have to pay more attention to raising the level of leadership.

The question is all the more important because we are a Party with a smaller membership. The question arises of whether the nearly 450,000 Party members encompass, direct and control all spheres of public life. Our accomplishments indicate that they do. But the building of socialism at a quicker pace, the socialist reorganization of agriculture, the development of the cultural revolution and the ideological struggle against nationalism, anti-Semitism and religious ideology necessitate the improvement of the level of leadership along all lines. Therefore, we have to think about how we can further advance the training and knowledge of the Communists working in the elected bodies.

The outcome of the election of new executives

presents a good picture. Now we must see to it that the Communists, in addition to their ideological and political training, pay greater attention to raising their knowledge of economic affairs and their cultural standard. We must make it a matter of common knowledge that the Party needs cultured Party workers. They must be familiar with the economic problems and the ideological, cultural and scientific questions of their own area. This is an obligation without which it is no longer possible to work effectively. Political work among the masses must be made effective, colourful and lively. This task now requires better training of the Party workers. The spirit of criticism and self-criticism must be intensified. I think it is unnecessary to underline the importance of this, because criticism and self-criticism is an essential weapon of the Party. We have often heard people ask whether it is right to criticize ourselves, and whether this will not be used by the enemy. The posing of the question in this form is fundamentally incorrect. They ought to ask instead, what would happen if we did not expose our mistakes? What would happen if we allowed certain Party members, who forgot about themselves, to offend the Party membership and non-Party workers, or to intimidate people with their aggressiveness? By remaining silent, wouldn't we be pleasing the enemy? Every Communist must realize that glossing over or hushing up every mistake will sooner or later lead to lack of confidence, to uncertainty, and will weaken the ties of the Party with the masses.

Why do we give such emphasis to the need for inner-Party democracy? The Party of the working class can build socialism only with the active support of the masses. We can retain the support of the masses only if the working people approve the Party's policy; if they recognize their own interests in carrying it out, and have a say in the affairs of the state—in a word, if they feel that there is democracy. This must emanate, first and foremost, from the Party. The spirit of democracy can prevail in all domains of our life only if the Party is penetrated by the atmosphere and method of democracy; if constant attention is paid to the opinion, wishes, proposals and criticism of the masses, the necessary conclusions are drawn from them, and the impracticability of untimely demands is explained. This is the pledge that the Party will not become divorced from the working class, from the working masses. It is a guarantee that the major form of leading the masses will be political enlightenment and persuasion.

It necessarily and inevitably follows from the leading role of our Party that the curtailment or violation of inner-Party democracy, in any form whatsoever, might always be a starting point of discontent in certain people and, if tolerated, in the ranks of the masses as well. We, Commu-

nists, must believe and have faith in the creative power of the workers, the working people, in their honesty and sincere confidence in the regime. Our three years of political practice prove that confidence in the masses bears its fruits. If, however, the leadership had no confidence in the Party membership, the Party members too would lose faith in the broad masses of working people; they would ignore the opinion of the working people and break away from the masses.

We should never lose sight of the fact that the broad masses of people respond sensitively to confidence. If they sense a lack of confidence in them, they hold aloof; if we show confidence in them, they respond to it. If we consider their wishes and proposals, we win their enthusiasm and activity—and it again depends on us just how we can keep this spirit constantly alive in the interest of the good cause. There is no doubt that this is a more complex method of leadership than the issuing of orders, but in its effects and results it is incomparably more fruitful and is the only correct one. This method of leadership is capable of expanding constantly the democratic basis of the dictatorship of the proletariat, and the other method of leadership only narrows it down. While the one method reckons with the living, working man, the other reckons only with pawns and dummies. Therefore, the leadership must make its work effective with a great deal of initiative, and must take measures everywhere against callous, bureaucratic methods of leadership, because these distort Party life and, later on, the whole state life. We may safely say that in our Party the atmosphere of democracy prevails in every respect, and so does the principle of centralism.

What is the foundation of this?

The Party's ideological, political and organizational unity came about in the struggle against distortions of the "Right" and the "Left." This living unity of principle also established the Party's unity of action. It may be said today that our Party's Central Committee enjoys exceptionally great prestige, not only within the Party, but among the broad masses of non-Party people too. The Party's Central Committee won this prestige with the correctness of its fundamental political line, the consistent realization of that line and its truly humane, Communist style of work. The prestige of the lower Party bodies has also grown among the working people. This spirit was radiated by the Central Committee, and the fact that the bodies know how to make good use of the possibilities presented by the Central Committee has given affairs a good turn.

Comrades:

The effectiveness of the Party's work depends decisively on the good execution of the correct

resolutions. During the last three years, the Party was always able to concentrate attention and its forces on the main tasks. Let us recall such splendid manifestations of unity of action as the parliamentary elections, the organization of cooperative farms, the launching of the labour emulation in honour of the Party Congress, and the work of the past three years in general.

By strengthening democratic centralism, we succeeded in raising to a higher level the independence of Party bodies and Party organizations. We have succeeded in overcoming to a large extent, if not completely as yet, the mechanical, dull and stereotyped Party work. The sense of responsibility of the Party organizations and the Communists for the area assigned to them has increased. Democratic centralism in the main fundamental political questions and the independence of the local organs properly complement each other.

In all these results the unity of words and deeds, a fact of common knowledge in our Party, has played a great role. Among other things, the prestige of the Central Committee lies also in the fact that it carries out the tasks it sets. Words and deeds fit each other in the work of the Central Committee. However, there are some unsound tendencies, too, partly in the Party organizations, and partly among the Party members. We do not want to criticize here irresponsible promises—although occasionally there are some of these too—but rather the attitude of certain comrades or bodies who agree with the Party's policy in words but act on the contrary in practice. They formally accept one or another Party resolution, although they do not agree with it, but do nothing to implement it. Cases in point are frequent procrastination in assigning posts to non-Party people, disregard for the interests of the national economy on the part of certain economic managers, or the uneven implementation of the Central Committee's resolution on consolidating cooperative farms. This attitude on the part of some comrades harms the reputation and prestige of the Party. We must, therefore, categorically demand that the resolutions be implemented consistently. The Party membership must be convinced not only of the correctness of the tasks, but also of the necessity of carrying them out. Today it still often happens that they discuss the resolutions of higher Party bodies, thus those of the Central Committee too, at various levels, but they do not study or work out the local tasks connected with the implementation of the resolutions. Therefore, decisions concerning the implementation frequently get under way only in general terms. And that is bad! Consequently, there are many general resolutions which cannot be checked up on, and this reduces the effectiveness of the work. Fewer and better resolutions would help the work more than many badly prepared resolu-

tions. Let us avoid stereotyped work. If we do not concentrate the forces where they are most needed, that is a mistake in method. Centralism in the Party does not mean that the thinking will be done at the top, and down below they will only carry it out. Centralism does not stifle thinking and independent activity. On the contrary, it presupposes and requires the independence and initiative of the lower bodies.

In controlling implementation, we must improve on-the-spot control first of all. Among other things, the significance of this measure represents concrete assistance. The art of leadership, as it is frequently called, is the ability to select the most important from among the many tasks at hand, the so-called "next link in the chain." Communists are not born with the knowledge of this art, but they learn it in the course of their everyday work. On-the-spot control and assistance cannot run counter to the training of cadres to be independent. Independence cannot develop soundly if the Party's policy is not implemented locally in the most appropriate form, and if concrete work of control and assistance is not provided by the higher bodies. The experience of the counter-revolution demonstrates that serious harm afflicted the Party due to neglect of political work in the residential areas. It appeared that even the comrades living in one block of flats had not known each other. The counter-revolution brought the untenableness of this situation into sharp relief. The task was clear: the Communists had to improve their relations with one another and with the population of the area.

Taking into consideration proposals coming from below, the Budapest Party Executive Committee set up Party groups in the residential areas. This was approved by the Central Committee who deemed it necessary to extend it to the provincial towns too. Two years of experience indicate the correctness and necessity of this practice. The Party members got to know each other and formed not only comradesly but friendly ties. We extended these friendly and political ties to the non-Party people too; thus the Communists came into close human contact with the non-Party masses.

Comrades:

During the last three years, the mass organizations and mass movements developed, grew stronger and broadened their influence. The solving of their specific tasks and the bringing of the Party's policy to the masses depends largely on the extent to which the Party Committees, local organizations and individual Communists realize the significance of the mass organizations and movements, their own responsibility for them, and, on whether they always

extend the necessary political and practical assistance.

Our mass organizations are capable of solving important tasks. Thus their significance in the period of laying the foundations of socialism is growing. To underestimate the mass organizations is an erroneous view. The view that the work of the Communists in the mass organizations is not on a par with Party work, is to be condemned. The Party organizations, and the Communists in general, must not ignore the fact that the number of the Party members is relatively small. In the majority of our communities and in some of our factories the membership of our Party organizations is small. There are communities without Party organizations. These facts justify the wider activity of the mass organizations and demand responsibility from the Communists. Each Communist must feel the necessity of being concerned about the mass organizations, with the mass movements day by day.

We should regard work in the mass organizations as an organic part of Party activity and as being on a par with other Party work. Party workers must realize that Party guidance in the mass organizations is a task ensuing from correct Party policy. Its aim is to create favourable conditions for mobilizing the working people for building socialism and for increasing the masses' political activity. Can we imagine socialist construction without the weight, importance and influence of the two million organized working people? Of course not! Every Communist and every Party organization must regard the trade unions as our class organizations. The Party not only selects cadres from the unions but enlists millions of people in the more effective realization of the economic, political and cultural tasks through the trade unions.

A major task of trade-union work is to strengthen the workers' power both economically and politically. Socialist labour emulation should be expanded and made general; factory democracy ought to be strengthened through production conferences. The work of political enlightenment can be the only basis of this and, therefore, the main stress must be placed on that factor. Cultural-educational work naturally supplements this task.

Party policy which says that life will be better and more beautiful if we work better and with more responsibility, should become a general concept in the trade unions. Each trade-union member should feel responsible for the trend in the living standard and for implementing the Three and Five Year Plans. This will create the basis of the desired wage and social-welfare measures.

During the local trade-union elections held recently, 216,650 active trade unionists were elected by 8,000 locals. The proportion of non-Party members was:

Trade-union committee members	59.9 per cent
Shop committee members	65.9 per cent
Trade-union stewards	83 per cent

Our Party organizations should realize the might inherent in these more than two hundred thousand trade-union activists and should activate all of them to implement Party policy by providing proper guidance and leadership.

Another big mass organization is the Party's youth organization, the Young Communist League, the important basis of Party reinforcements. It has a highly important role in educating all the youth. The ideological and political struggle being waged for the education of the youth and their preparedness for the future defines for every Party organization and every Communist the task of assisting and supporting the exceedingly important political work of the Young Communist League. When educating the youth in the correct ideology, we are building not only the present, but are also shaping the future. The 380,000 Young Communists are a powerful force and the Party organizations should know to utilize this force and swing it into action to carry out the necessary tasks. The voluntary work performed by our youth and the records chalked up by the youth brigades should not be underestimated. But not all the vast potentials inherent in the Young Communist League have been tapped sufficiently. And this is a fault, which might cause worries in future years.

At membership meetings held to elect new executives and Party Committee members, we were able to improve the proportion of women. But work among women, and the women's movement in general, is still underestimated frequently in Party life. This is especially incorrect because we have Women's Councils in 2,600 communities. These councils make it easier for the voice of the Party and the Government to reach and guide the broad masses of the women, not to speak of the fact that results obtained by the women's movement are important not only economically, since they also had a share in the work of consolidation, but also politically, for the women can work effectively, for instance, in the Parents' Associations to rear the future generation in cooperation with the teachers. During the last two years a change has taken place in the women's movement. The active core in the Women's Councils has broadened; hundreds of thousand of women are doing work of a permanent nature, but we cannot be satisfied with all this.

There is one very important, still unsolved problem in Party building and Party life as a whole: that is to provide every member of the Party with concrete Party work. This problem can be solved in the right way only if we rely on the Party groups everywhere. In the shops, in the factories, in the offices, the enterprises and anywhere else, the Party group is best able to

provide the Party members with concrete tasks. This work may be many-sided and diversified. Very often members of the Party are assigned to improve their technical skill, to increase labour productivity, to do work of better quality and to reduce rejects. Some are assigned to help a fellow worker with advice on how to do better work. It is also correct for the Party group to assign a Party member to look after the political education of a candidate. Party members may be assigned the task of acquainting non-Party people with Party policy. They should regard political educational work as a permanent Party task. To set up socialist brigades or to pay more attention to the education of the youth or to the women's movement, may also be a Party assignment. The more Party members will be given Party assignments, Party work, the sooner will we end the wrong practice of overtasking some Party members, while others receive no proper assignment although they are capable of handling it.

There is an extremely important condition for solving the tasks facing the Party: that is for every Party member to strengthen his ties with the masses in his everyday work. The Party member should fight to satisfy the legitimate claims of the working people and enlighten them on the Party's policy and decisions, but he must take a stand against hostile views and social demagoguery. The Party member should be the leader and adviser of the masses, while learning from the masses. The worst type of a Communist is one who does not attract but repulses the workers. A Communist should work and live so that he sets an example to the non-Party people in order that they turn to him with confidence with any problem or complaint, whether real or imagined. For turning to a Party member means turning to the Party. One must know when to say yes or no. We must fight for legitimate demands and against injuries, and combat what is wrong with work of enlightenment. Let the people feel that the Communists love them; that the work and the aim of the Communists is designed to make the people's life more beautiful and happier.

Comrades:

The socialist reorganization of agriculture is proceeding and the cooperative movement is advancing in our country. The cooperative movement has been developing at a faster pace than Party organizational life.

Parallel with the development of the cooperative movement on a bigger scale this year, notable results have appeared in the development of the Party organizations in the cooperatives as well. In the struggle to strengthen the cooperatives, the county and rural district Party organizations have put greater stress on Party building in the cooperatives. This statement is

substantiated by figures. On January 1, 1959, there were Party organizations in 43.7 per cent of the cooperatives; by October 1, 1959, this figure reached 69.4 per cent. During the last ten months 1,500 new Party organizations were formed in the cooperatives, and the number of the Party members working in the cooperatives increased by about 25,000. This growth is due, on the one hand, to Party members joining the cooperatives, or to amalgamating the regional and cooperative Party organizations, and, on the other, to the admission of new Party members. However, the Party organizations are still exceedingly weak in the majority of the new cooperatives. They have a small membership and lack experience; they do not always find the best methods for carrying on political work. A mistake was made in strengthening the cadres, by thinking only of the chairman and the agronomist, while insufficient attention was paid to selecting a Party secretary. The county and rural district Party organizations should give greater thought to strengthening the Party organizations in the cooperatives. They should see to it that the Party organizations become the lever for advancing the work of the cooperatives as a whole, which means to develop agricultural production, educate the peasants and change their way of thinking. Greater attention should be paid to this question now, during the winter season. Political education of the cooperative Party members should be accelerated so that they may activate the masses. Party work should result in the mobilization of non-Party men and women activists, because the Party will be strengthened by these staunch activists. The Party organization should pay special attention to political work among the peasant women, because their word carries weight, and will carry more weight, in shaping cooperative and socialist life.

Comrades:

It is not necessary to make any fundamental amendments to the Party Rules. However, the Central Committee proposes a few amendments which are necessary to improve Party life. Permit me to submit these proposals.

1. We propose that paragraph 3/g of the Party Rules be completed with the following: "He who stifles criticism must be called to account by way of Party discipline." We want to develop an appropriate atmosphere of criticism in the Party so that every Party member may express his opinion, in a constructive way, at the appropriate forum and in a proper form, irrespective of person and without any harm to himself.

2. The wording of paragraph 40 of the Party Rules is not exact, in our opinion, because in practice it was the responsibility of the higher Party organs to confirm the Party Committees.

In its guiding activity the Central Committee

of the Party aimed at giving the lower Party bodies the proper independence in line with the principle of democratic centralism. The Central Committee empowered the Party Committees to confirm and to approve the elected Party bodies—Party Committees and executives—in their regions.

The scope of the Party functions which are filled by decision of the Budapest and county Party committees has also expanded. This practice has given the Party organizations greater independence and a sense of responsibility; it has been helpful in putting executives and Party secretaries at the head of the Party organizations who are capable of carrying out the tasks entrusted to them.

The amendment complies with this practice by proposing that, in the last instance, Party Committees should be confirmed by the next higher Party body.

3. Paragraph 43 of the Rules, as adopted by the National Party Conference, declares: "Party organizations in offices and institutions may not control the director and management of the office and institute."

We recommend that the Rules should read: "According to the instructions of the Central Committee, the Party organizations functioning at the Ministries and at some high authorities have the right to control the official work of the executives and management of the Ministries and certain high authorities."

At its session held on October 22, 1959, the Central Committee discussed theoretical, organizational and cadre problems connected with widening the authority of the ministerial Party organizations, and it proposes that the foregoing prohibitive statement of the Rules should in the future not apply to the Party organizations at the Ministries and at certain national high authorities. The significance of these organs and the greater tasks make it necessary for the leaders of these bodies to receive more assistance in implementing Party policy, eliminating bureaucratic features which still persist, in correctly selecting the cadres and improving the efficiency of work.

Therefore, the right of the Party bodies to control official work should be assured as follows:

The Party Committees in the Ministries are obliged to respect the principle of ministerial responsibility and one-person leadership, to support and strengthen it.

At the same time, they are given the right to require any Communist executive and staff member to report on his work with the exception of the Minister.

They may discuss theoretical, political and professional questions connected with the work of the Ministry, control the execution of Party and Government decisions in regard to the Ministry, and the position of cadre work.

In filling leading posts, the Party Committee must be consulted. In case of disagreement the Party Committee has the right and duty to appeal to the superior Party body.

4. According to paragraph 20 of the Rules, the Party is built up on a plant and territorial basis; there can be only one leading organ in the plant or territory respectively. The principle and practice of Party building is generally reflected by this definition. However, in certain instances, it is necessary to depart from this in practice as, for instance, in the building industry. Therefore, we suggest that the Rules be amended as follows: "In certain instances, the Central Committee may permit digression from this principle."

5. We suggest that paragraph 13 of the Rules be amended to provide that, with the exception of the chairman, other persons who are not members of the Party Committee may also be members of the disciplinary committee.

6. The Central Committee proposes that the existing system of dues payment be confirmed. We propose one amendment: those earning above 5,000 forints should pay more than previously, that is 160 forints per month.

7. We recommend that paragraph 35 of the Party Rules should stipulate the number of members and alternate members of the Budapest and County Auditing Committees.

8. Paragraph 15 of the Party Rules defines which Party body shall approve a decision to expel a member. Furthermore, it states to which Party body Party members should appeal against a Party penalty. However, the Party Rules do not make any provision for the time limit of appeal. Therefore, we propose that a six months' time limit for appeal be set in the Party Rules. This time limit is sufficient for the reassuring investigation and closing of the appeal.

Comrades:

Party life consists of a thousand threads and colours. There is no doubt that it is able to encompass the life of society as a whole—and that is very important! Our propaganda is lively and our education interesting; it appeals to the people. Our Party life radiates a rightful optimism—the perspective of confidence in the future. However, we have to raise the knowledge of our people to a higher level. The knowledge which the membership and the functionaries possess today will be insufficient in the years to come. We have to study and become educated! From now on this should be not only a slogan but a living reality!

With a Party membership which is strong, advanced and cultured, our Party is more united, stronger and more militant, and can lead the broad masses of the working people forward along the glorious road to Communism.

CLOSING REMARKS ON THE FIRST TWO ITEMS OF THE AGENDA

by Comrade János Kádár, First Secretary of the Central Committee

Comrades:

The first and second items of the agenda of our Congress have been under discussion for three days. Remarks have been delivered by 47 delegates. The speakers discussed the Report of the Central Committee from many aspects and touched upon all important issues. The debate was characterized, following the overcoming of some preliminary self-consciousness, by a clear attitude, a critical Communist spirit and courage in matters of principle. A striking characteristic of the debate was also the fact that the comrades, practically without exception, spoke of the problems of today and tomorrow, and not of the past. In the Report of the Central Committee we stated about a few, otherwise not insignificant questions that, in our opinion, these already belonged to the past. The debate accurately reflected that, in the thinking of our Party membership, these are indeed already closed issues. This is gratifying because the comrades, avoiding empty, captious and under certain conditions already senseless debates, concern themselves with the tasks at hand.

To deliver the closing speech to the debate on the Report is easy in some respects and difficult in others. Regarding the ideological basis of the activity of our Party, the general line of our internal and foreign policy, and the major questions of our economic and cultural construction, all the speakers, either directly or indirectly, expressed *the complete unity of our Party on all these questions*. The Seventh Congress of our Party thus approves the general line pursued during the past three years, and at the same time wishes a more resolute, more consistent and more vigorous continuation of this general line. So far the delegates of 35 fraternal Parties have addressed our Congress, among them Comrade Khrushchov. They expressed the opinion that they regard the general line of our Party as Marxist-Leninist, they approve its policy, and what is more, they have expressed their solidarity with it. And this is exceptionally impor-

tant to us, because in the person of the delegates of our fraternal Parties actually the international working class is present at our Congress and gives its opinion of our policy.

With this I have practically finished with the main question of the three-day debate. I could as well conclude my closing remarks. But the comrades have raised thousands of questions, drawn important conclusions and reported on concrete experiences. And all this was made in support of the Party's policy.

One has the feeling that life itself, *the ever fuller, richer and more radiant, new, socialist life of the Hungarian people, has pulsed here in the hall of the Congress*, and the results and shortcomings of this multicoloured, rich life have been under discussion. This is proper and good.

We attach great importance to the speeches delivered and the conclusions drawn. May I ask the Congress to permit *the newly elected Central Committee to group the various questions from the debate material and forward them to the competent bodies*.

I believe the wish is justified that they should examine these and within a short time answer them on their merits. The final answer may also be that one or another wish, remark or criticism was not acceptable. Such a thing has already been known to happen in the course of history, in fact even here in the Congress hall. I recall, for example, Comrade Sándor Petőfi's speech—and also that the foreign delegates here did not know why the Congress smiled at hearing his name.* Comrade Petőfi is an enthusiastic, young expert. Unfortunately, I do not know him more closely, although I have been urged a number of times to get acquainted with him. He grew excited, came forward with demands, and said some things in which one could hardly say he was right. If our agriculture were generally as well equipped as the experimental farm where Comrade Petőfi is working, perhaps we

* His name is identical with that of Hungary's greatest revolutionary poet of the 19th century.

would even kiss the hand of the person who would announce this to us. I do not wish to say by this that they no longer need anything, but if the question is as to where we should expend our means and resources, still we have to endeavour to strengthen those farms which are much worse off than they are.

I mention this only because there are some questions to which it is possible to answer: Wait a bit, brother, we'll get around to that too. But the majority of the proposals and remarks deserve a clear and definite answer. It doesn't matter either if the reply is not a display of self-criticism, but a proper and good measure. We'll accept that too.

In industry, agriculture, trade and foreign trade too, what is important now is to exploit the possibilities better. Let us lend greater momentum to the work of building socialism, let us develop our national economy and thereby establish a realistic basis for the further systematic raising of the working people's living standard, let us facilitate the central and major task of our struggle: the building of socialist society. This has been the topic of Party meetings and other deliberations of the workers for some months. *Thus the Congress has most correctly and emphatically underlined the importance of more rapid progress.* A decisive link in this chain is the raising of productivity. I do not wish to go into details, I am only reminding the comrades on the basis of the debate—Comrade Nemeskéri related it—that the Lenin Metallurgical Works has registered a 13 per cent improvement this year. The manager of the Central Transdanubian Coal Mining Trust, Comrade Hidasi, also gave us some gratifying information: in their area too, productivity last year increased 11 per cent. Their circumstances partly differ from other branches of industry, but their resoluteness is an example for all comrades engaged in production. The collective of the Lenin Metallurgical Works has concentrated its attention on increasing productivity for about two and a half years already, and have practically been fighting for every single penny. Consistent, far-sighted work bears fruit.

A very important question was brought up—and, I think, in a very proper formulation—by Comrade Szócs, an engineer from Salgótarján. He said that the experts, the engineers, technicians, in fact even the workers, looked upon the draft of our new Five Year Plan as a fundamentally correct and realizable goal. But it has not been the most sympathetic of all for them that we are developing the technical standard—and, together with it, productivity—not primarily with the building of new factories but with the reconstruction and modernization of the existing factories and equipment. It is certainly clear that this is the more difficult way. Despite this it is proper and good that people

take this kind of attitude. I am convinced that the people who, though they hold the view that it would be easier to build new factories and equip them with new machines, and still approve that under our circumstances we have chosen the slightly more difficult but sensible solution—these people will work more consciously and resolutely to carry out the tasks. It is not always the work of the man who jumps up at the first word and shouts, "Hurrah! Hear, hear! That's right! I agree with everything!" that is worth the most, but rather of the one who listens to the voice of the Party, thinks about it for a while, and then says: "That's right, I approve of it, let us carry it out."

A central issue at the Congress was the socialist reorganization of agriculture and the development of agricultural production. There has been so much talk about it that in some of the Budapest delegates the question must have arisen: "What is this? Have we happened to come to some kind of agricultural congress?" Comrades, this is no agricultural congress but a Party Congress, still it is good to see clearly that *for our whole Party the foremost issue is the socialist reorganization of agriculture. This is not an easy thing; it is a complex, militant task.*

Comrades, this is so difficult that sometimes I too have begun to think—for instance, when Comrade Khrushchov's men go knocking at I don't know which crater of the Moon—all right, let us go to the Moon or to Venus, but let us settle things in such a way that we should no longer have to organize cooperative farms. Where does the difficulty of this work lie? If in the course of carrying out some difficult task we have to battle with the enemy, that is a difficult matter. We, Hungarian proletarians, have already found this out during more than forty years. But even more complex and difficult is the carrying out of a task in which we have to argue with our friends, the working people. After all, a brother is a brother, one cannot go knocking him on the head to make him get wiser more quickly, *he can only be convinced.* There is no other recipe for this, and herein lies the difficulty of this task.

As is well known, the production of our industry, as compared to the capitalist era, has already risen to the 350 per cent level, while that of agriculture only to 115 per cent. If we want the whole national economy to advance, we must absolutely progress in agriculture, raise the level of agricultural production as well. And this is possible in no other way but through the socialist reorganization of agriculture.

A few months ago an American journalist named Alsop came to our country and honoured me with his visit. He is no particular friend of Communism, but for some reason or other he is interested in it. We talked, among other things, about agriculture, and the subject of the situation

of our cooperative farm movement came up. I said to him: Look here, we are talking to everybody, to those who agree with us and to those who do not. The fact is that if somebody can say something wiser and better than we do, we are willing to accept it. However, we feel that we cannot reconcile to the fact that, while you in America are producing with 80 to 90 per cent and even higher mechanization in agriculture, we in Hungary are working with ancient hoes, scythes and ploughs. We have secret ambitions that one day we shall also overtake you. Large-scale production is indispensable to us. In the old days there were in Hungary large estates of counts and capitalists. Should we call back the counts, the bailiffs and big landowners and ask them to be kind enough to farm with large-scale methods—or is it we ourselves who will have to establish the socialist large-scale production units? The former solution is not sympathetic to the Hungarian people, they do not wish the counts with their big estates, the overseers and the gendarmes to come back. We prefer to have cooperative farms instead. There is nothing else we can do. It is interesting that Mr. Alsop—although he did not mention this in his article—said: As a matter of fact, I quite understand you. Even a man with an anti-Communist view like Alsop is compelled to acknowledge the correctness of this aim, if he thinks it over and his opinion is not published.

Just what is now the situation in our agriculture? I do not know exactly when the newest type of the Pannonia motorcycle was developed. I do not think that it was much more than a year and a half ago. And in the recent past I too have come across the phenomenon that a peasant, a hoe over his shoulder, was leaving for his fields riding a Pannonia motorcycle. I reflected on when the hoe must have been invented. It would be difficult to calculate accurately, because in those days there was neither "Innovation Bureau" nor "Patent Office" where such things could be registered, but it is certain that it was invented a long time ago, a few thousand years back. It is a private affair of the peasant—just as it is everybody's private affair—how he gets out to his place of work. The fact is that today he may get there with the most up-to-date technique. There is no denying it, two and a half or three kilometres is not a distance to travel by aeroplane or helicopter—over such a distance the Pannonia motorcycle is the most modern technique. At the same time to pursue the *socially decisive activity*, production, he is carrying on his shoulder a hoe—who knows how many thousand years old. This is not a normal situation, Comrades. If the peasant thinks about this, he too must understand it. Society could more easily sustain it if the peasant would walk his one and a half kilometres out to the field on his two sound feet, but out there he would work

with the most modern tractors and ploughs. Thus there are lots of convincing arguments; we only need to make use of them.

At the end of last year the Central Committee discussed the situation of the cooperative farm movement and found that the political and economic conditions were ripe for us to take a step forward.

Then in March, "philosophical" debates began on whether the development had been a step or a leap. I believe that, on a national scale, it was undoubtedly a step forward, a resolute and important step forward, and was no kind of leap. It is our opinion that *at present, too, the situation permits us to take a step forward again if we solve the task intelligently and well.* Already at the 21st Congress of the Communist Party of the Soviet Union—when I spoke in your name—I remarked that we could advance as our own circumstances allow it: if all we can do is to take a step, then we cannot leap, because we may easily land in the middle of the ditch instead of stepping forward. Even in the fairy tales the lad is told—when he wishes to win the hand of the princess—that he may make three attempts to solve the riddle. You know, Comrades—and this is no longer in jest—that in the case of the cooperative farm movement our Party and our people are embarking for the third time on the road upward, and this road must no more be broken because of our mistakes.

Already there are certain results at the beginning of the present autumn development: in about two weeks' time some 11,000 peasants joined the cooperative farms, contributing 60,000 holds of land. Thus the start is promising. The report from which I have taken these figures speaks also of the fact that there are certain discrepancies between the results of the counties. I promised not to disclose the numerical results achieved county by county, because if any kind of misinterpreted rivalry were to begin in this sphere, it could completely ruin the possibilities that present themselves. With the intelligent use of our present resources, however, in the coming months we can take a step forward enabling the cooperative sector to achieve a decisive superiority in our agriculture. We recommended and we now recommend to the comrades to take into consideration the possibilities and to think in the manner of Communist revolutionaries. We recommend to the responsible men of the counties, after completing a certain work, to stop a bit, examine where they stand in the realization of what they have imagined, talk over the experiences and go on working by taking them into consideration.

Comrades, this circumspect, careful consideration is exceptionally important. In this connection I should like to call the attention of the comrades to two things. First, when after a certain phase we assess the experiences and

survey the work done, it is found that at one place the work goes more easily, the progress is more rapid than was assumed. In this event the possibilities must be exploited, because neglecting them would be a crime against the socialist revolution. In another village, because of some kind of peculiar circumstances, things go on with more difficulty. In such cases great damage may be caused by rigidly clinging to some previously conceived idea. The other point which should be born in mind is that the various phases of work should be closely linked to one another, for example: organization and consolidation. This cannot be left out of consideration.

You will recall, we said a year ago: the cooperative farm movement cannot be organized in such a way that first we build the centre of the cooperative farm, the hothouse or the pig pens, and then invite the individually farming peasants: please be so good as to walk into the cooperative farm. This conception of the work is not serious. Decent peasants do not have this conception of life. Socialist development cannot be conditioned by the raising of material means beforehand. The ensuring of political conditions, on the other hand, is very important. If this did not exist, cooperative farms could not be established, *because a sound cooperative farm movement can come into existence only in agreement with the working peasantry.* And by ensuring this, as shown by experience this year, the movement can be developed effectively. Our cooperative farms organized in the winter and early spring are all, without exception, thriving, working and developing. Therefore, it is possible, in agreement with the peasantry, to develop and consolidate the cooperative farms. The important thing is to ensure the political conditions. But just as the organization cannot be dependent on the ensuring of material means in advance, *in the same way the newly formed cooperative farms cannot be left to themselves either. After their organization they must be aided, the consolidation of the cooperative farms must be started at once.*

From the standpoint of consolidating the cooperatives, it is very important—perhaps even more important than the material means — *what kind of leadership they elect.* The situation on the whole is—and this may be safely stated—that the working peasants who at present are still farming individually know that they too will be cooperative farm peasants, and secretly they have already committed themselves to it. There is still conservatism in them, thoughts like: “First I’ll marry off my daughter, or I’ll put by another one or two thousand forints in the bank, put a few more quintals of grain up into the loft, and after that . . .” But we know that the Hungarian peasant no longer fears the cooperative, he is not afraid of the state and has confidence in the Party. What, then, is he afraid of? He fears that in the cooper-

ative farm he will get a poor leader. And honestly speaking, Comrades, one has to beware of this a little. Because the situation and the life of a cooperative farm peasant will develop according to what kind of brigade leader he happens to get. For, Comrades, somehow one can tolerate it for a while if, say, the secretary of the Central Committee, or one of the ministers, is a “difficult” person. But if the brigade leader is like that, it cannot be borne for long. And also the peasant will tell you: I’m not afraid of that Dobi, Münnich, Marosán and Kádár. They won’t bother me; they didn’t bother me for three years, why should they bother me after this? But it’s very important how the chairman and the brigade leader will treat me.

Last year we gained very useful experiences in this sphere too. We were bold and said to the peasants: Go find the man you want to be your chairman, brigade leader or agronomist. This method proved to be correct. And it is understandable too, for in this it is the peasants, and not we, who are interested in the first place. It is they who will work with that man, that leader. If the brigade leader works well, he will do so for them; if he works poorly, it is they who will suffer damage. If he is wicked, it is they whom he will treat wickedly; if he is decent, it is they whom he will treat well. The peasant is not his own enemy; therefore, he will think over carefully on whom he wants to rely, to whom he wants to entrust his fate, his income, his means of a livelihood.

Last year’s and this year’s experiences are good. The majority of the cooperative executives have proved competent. And these good experiences will help now. In the intervening period the peasants have been watching very carefully what the chairmen are like, how they are behaving and what they are doing with the others. Of course, there have even been peasants whom they had been inviting to join the cooperative for some seven years, and who have always said: “I don’t want anybody to go giving me orders.” And when, finally, with great difficulty, such a peasant was persuaded to join, the next day the membership decided to elect him chairman. Then it was his turn to despair because he would have to give others orders. Such wonders occur too.

The majority of the leaders have proved to be good, and this is very important because, I repeat, *the fundamental problems of the peasants no longer concern socialism, but certain questions of detail within it.* And sometimes these questions of detail are very important indeed.

In our country there has been People’s Democracy for nearly 15 years. The regime, the people’s power, has been good up to now too, but certain mistakes occurred which from time to time hurt certain people. Naturally this caused damage. Care must be taken that such mistakes are not

repeated. The peasants must be helped. *The best help is if we trust them* and are bold. There were a good many peasants who believed that for about 10 years at least we would not dare to entrust them with anything, because they had argued with us for about five or six years whether "they should join the cooperative that year or the next." And our confidence in them represents a moral obligation to them, which spurs them to be worthy of this trust.

Simultaneously with the socialist reorganization of agriculture, the *development of production* is also important. Our enemies say that we are unable to find a solution to placing agriculture on the path of socialism and at the same time increase production. I must add that now even the propagandists of our enemies, such as Radio Free Europe, no longer say: "what are those cooperative farms good for," but argue that "they will not be able to provide them with investments," "they will not be able to increase agricultural yields at the same time," "the living standard of the workers will suffer because of them," etc.—in other words, they have these and similar "problems" in connection with us. Thus the debate has shifted to another plane. Naturally, the socialist transformation of agriculture and the simultaneous increasing of yields is no easy task. This year's results, however, prove that *it can be solved*. In fact, the cooperative farm movement has grown about threefold and agricultural production also increased this year. In the crop results, in the rise in yields this year, favourable weather conditions have also been a contributing factor, but the results of agricultural production could not have improved if things had not gone in order.

The so-called twofold task is thus realizable, but not easily. It is a fact that in the midst of the socialist reorganization of the village there may appear periods of standstill in the production vigour of certain peasants. But this loss we can make good, and we must make up for it with the help of the socialist basis. An agriculture in which more than half the ploughing area is already socialist can, with the development of the production level of the state and cooperative farms, eliminate and overcome the standstill mentioned above. Therefore, the cooperative farms must be further consolidated, the country must receive more commodities from the cooperative farms.

Comrades:

Bookkeeping before the masses is unusually simple. That is why they can ask themselves: do cooperative farms give more to the people, or do they not? If the cooperative farms are not capable of giving the country more commodities, then—I tell you frankly—we would all do better, instead of doing work of enlightenment, to go out hoeing a little, because this too might

result in about ten kilos of maize—although we have dropped out of practice a little. Of course, this is in jest. But the fact is that *socialist agriculture gives the people much more commodities than do small commodity producing farms, individual farming. This is the way it is, and this is the way it must be.*

At the beginning of the summer, comrades of Győr County, delegates from the country's first socialist county, called us on at the Council of Ministers. They are self-confident people, and they are in the right; they accomplished no small feat—and in this they personally had no small share. But still, we put the question to them: well, you've had your victory, we celebrated too when Győr County had become the first socialist county. But now let us go one step further: Will Győr County give more wheat to the country than last year? Will it give more maize, more pork, more beef and more milk? *The final accounting of the whole struggle, the whole work, will appear in this!* If it gives more, then the whole people will say: come on, let us try to organize one or two more socialist counties! If, on the other hand, it so happens that it does not give more, then many people may ask: why did we organize this socialist county if it does not produce more for the country?

The Communists grasped the question correctly, and the cooperative peasants of Győr County replied in a worthy manner: they fulfilled their plans, and at the Congress they could justly refer to their results. Already this year it has become evident that the *development of the cooperative movement goes hand in hand with the rise in agricultural production*. We usually say—and with inner conviction—that the Hungarian peasant likes to work and is intelligent, he does not oppose a wise thing, and if he wishes he can accomplish wonders! Already in the new cooperative farms they began work and in many of them they achieved very fine results. I believe that if our peasantry embarks on the socialist path and works with good central leadership and good local guidance, then that certain 115 per cent level—which agricultural production has achieved in comparison to 1938—we shall very soon surpass. Naturally we calculate this "very soon" in years.

There has been much discussion at the Congress on the questions of science and culture. Our Central Committee is aware that abstract scientific research is also very necessary. And research work is needed which has no fixed direct economic aim. This can yield information which later can become the basis of work, the development of production and technology. We request the scientists, however, to co-ordinate their research work with the tasks facing the national economy, as far as possible. The scientists—and not only the scientists, but also other researchers, engineers and technicians—

know very well: we are aware that results can only come from experiments. In fact, the great results do not come from the first experiments. We know that for the great achievements time, work and experiments are needed.

I agree with Comrade Novobátzky in what he expressed as follows: we must be aware that from year to year more extensive material possibilities must be placed at the disposal of science and research. The differentiation of human labour is increasing, technology is gaining ever broader spheres, and it cannot develop without scientific research. It is clear, therefore, that *from year to year research must be supported with constantly greater material assistance*. But this is only one side of the coin.

During one of our conversations with our scientists we told them that we cannot manufacture gold, and we requested the academicians, members of the Presidium of the Hungarian Academy of Sciences, to be so good as to link the ideal with the feasible. This is the other side of the problem. To express myself figuratively: it is a good thing if our scientists besiege the heavens with their thoughts and daring imagination, but still they should remain on the earth with their feet.

Hungarian scientists are internationally recognized. The trouble is, however, that one or two researchers think up things which, if they were to be realized, would need at least the possibilities of the United States or, if those are insufficient, of the Soviet Union. For the realization of the ideas of some, however, the possibilities of both countries would be required, and not those of the Hungarian People's Republic. There is not much we can do with such plans. Therefore, we request them to link their ideal strivings—for one cannot even wish a scientist not to aspire to the best possible—with our real possibilities. If they do this, then the government will be able to support science to an extent increasing from year to year.

And as to what kind of possibilities there are before us, let me mention just one example. The Physical Research Institute of the Academy is producing very praiseworthy and useful things. In the course of their research, the scientists working there turn out instruments which are connected with their experiments and which we also can already export. Thus an institution engaged in theoretical research, with its practical work, skill and resourcefulness, can bear part of the cost of its own maintenance—even if the smaller part. I believe that considerable results could be achieved if this example were taken into consideration by our scientists working in the rest of the scientific institutions too.

There was discussion about our cultural workers too. Many people spoke about this question; so, I do not wish to go into details, because in my opinion Comrade Kállai's remarks contain

the full essence of the work to be performed in this sphere. I should like to add only a few thoughts.

It is commonly known that among the writers there are one or two who have assumed an attitude of some kind of opposition. We mean by this that they are obstinately not doing anything. They remind us of a sad pelican which, with its head tucked under one wing, is standing on one leg thinking: should I take a step next week? Of course, there are not many of them; in fact, they are so few that I could even name them, but I do not want to hurt them.

A few months ago we argued with the writers "in opposition." In the first stage of the debate we enumerated their faults, and they told us ours. Their main problem is that the Party leads, and it wants to control literature as well. Since then they have taken up positions in the second line of defence and say: we agree with what the Central Committee says, but on a lower level, in the department, and there at the publishers, there are some who follow an incorrect line. It is true, we too have things to make amends for, because in the past 15 years it also happened that we mistrusted them as a matter of routine, we needlessly insulted them or praised them undeservedly. The still recalcitrant writers who are not on too good terms with us must also be regarded realistically. And if we have to deal with them, *we must strive to make our position unassailable and just*.

During the three-day debate of the Congress many words of acknowledgement were spoken about the leadership, but there were criticisms as well. Both are very important. Acknowledgement lends security, strength, it strengthens the conviction that the leadership is essentially correct, and it is a great help also if we receive criticism.

Comrade Söjtör very nicely determined the essence of leadership when—understanding the matter as the leadership of the people too—he said that our Party consists of 400,000 steady and sensible people who know what they want and correctly guide the work. I believe this formulation is fundamentally correct, with a slight addition. Let us be steady and sensible when the situation has to be analyzed and the task must be fixed, but I suggest we should be irritated and impatient when we find mistakes, and wrathful when we find the enemy or some crime. For there are mistakes here. These are partly of revisionist or sectarian origin, but sometimes they stem from roots which were "invented" much earlier than either revisionism or sectarianism: these are ordinary human stupidity, carelessness, irresponsibility—and these have to be combated.

I think what is most important is for every single member of our Party to act in conformity with the Party's general line, the Party's reso-

lutions, to live and work in conformity with the Party's spirit and morals. *This is decisive, this is the most important from the point of view of leadership.*

We have always stressed the necessity, the indispensability of the power of patient, convincing talk. Only by this means can we establish comradely, fraternal relations with the working peasants, and what is even more important, only in this manner can we realize our policy in mass proportions. Still, mistakes occur in this sphere too. Every comrade must understand that in the eyes of the peasants the Party is represented by those comrades, those Communists, whom they know there locally, who give them guidance on the road of life. If they receive impatient or improper replies, they might think that it is the Hungarian Socialist Workers' Party that is speaking to them in such a voice, whereas this is not true at all. It is decisive, therefore, that every member of the Party should act uniformly and represent the Party's general line correctly. Whoever is a member of the Party cannot pick and choose among the individual sections of the Party's policy and say: "I shall agree with these, let somebody else struggle for the others." There can be no haggling here. If somebody agrees with the Party's policy, let him agree with the whole of it and act accordingly! If he does not agree, let him say so, in order that we may argue and talk—after that, if nothing helps, let him leave our ranks. In 1957 we included a point in the Party Rules: every member of the Party has the right to withdraw from the Party of his own free will without any moral condemnation. But whoever says that he agrees with the Party's policy must not choose the points which please him, and must not ignore the rest, because it is the duty of every Party member to follow the Party's policy in its entirety.

As far as the state and economic leadership is concerned, here too we have things to do. Do not misunderstand me, the state apparatus is not in the hands of an alien class. I make this remark only because after Comrade Prieszol's speech some people might think that in our state apparatus it is not even our people who are running things. This is not the case at all. In the ministries too, it is our comrades, our very close relatives, our fellow workers, who are working. It is true that something went wrong with one or the other of them after they had exchanged the workshop for the office. But if we recall the road travelled we must see that tens of thousands of comrades in the state apparatus worked admirably and honestly in the past three years. Otherwise our results could not have come about. Alongside the people doing good work, there is a minority which is not conscientious, works superficially, or is not fit for leadership. Such things can happen too, but the majority is not like this. Then why can we

not get rid of the still existing mistakes? Because, Comrades, an illness persists among us: for example, if we ask some state or economic leader whether there is any bureaucracy in the state apparatus he replies: "There certainly is a little." But if we ask: "And in your Ministry?"—then everyone replies: "There isn't any there, everybody works well there."

If we ask someone else, he too says there is none at his place. And if we mention the concrete mistake, I often know the reply in advance: "That's a slander, it's a lie, it's not true, somebody has invented it." . . . Or: "It's true, but four months ago we discussed this at the meeting of departments and it's already settled . . ." One cannot work with these kinds of recipes.

I know some state leaders whose heart and soul belong to their work. I know they would be ready to give their lives for the working class, if necessary. They are capable of everything except, sometimes, for one thing: and that is to admit that there can be mistakes in the sphere administered by them. With this they cause harm to themselves, put their office into a bad light before the working class and do not help to correct the mistakes. When a man is at the head of a large company or ministry to which tens or hundreds of thousands of workers belong, he must become accustomed to taking it seriously if somebody makes an observation regarding the guiding work of his apparatus! He should take it that the observation made is true. If later it should develop that it is not true, then he should be glad, but he should not receive criticism by calling it a "slander." And he should not defend the "honour of the flag" out of false prestige.

Comrade Dezső Kiss and others did well to mention that *there was at present a contradiction between the activity, enthusiasm and impetus of the masses and the mistakes of our economic leadership.* We shall eliminate this contradiction, and not by preserving bureaucracy, carelessness and destroying the working people's enthusiasm, but by destroying bureaucracy, carelessness, and raising enthusiasm higher. Just think what large masses stirred in the socialist emulation preceding the Congress, and what splendid examples they gave of human steadfastness! Both on the state and Party level, *leadership is needed which is worthy of the zest and enthusiasm of the conscious workers.* If each leader imagines his own task the way hundreds of thousands participating in that emulation understood the meaning of the Party's word, then we can look forward to the future with a reassured conscience.

Comrades:

The system of leadership must also be developed, but this must be correctly understood. We have already had a few reorganizations in

our country, and it also happened that after completing it another one was begun a month later. This went on for a few years. We are of the opinion that our system of leadership gradually becomes ripe for a certain development. But how should we carry this out? As the saying goes; once bit twice shy. Therefore, some think that in the great reorganizations we are going to copy the example of the fraternal countries.

In the reorganization of the system of leadership we are endeavouring to make use of their experiences too. But we cannot compare our own circumstances with those of the Soviet Union where the conditions are entirely different. We know that there are certain reorganizations in the German Democratic Republic, Bulgaria, Czechoslovakia, and we should like to use their experiences too. But now we shall try to be so cunning as to save our own tuition fee.

We are not going to carry out such a reorganization of leadership—for we have already had this kind too—that we are dismissing tens of thousands from one day to the next. There is not even any need of this. If people need to be regrouped from one area of work to another, this must be planned and carried out regularly, normally. Some people in our country, reading in the paper some morning that in one of the neighbouring countries they have begun the reorganization of public administration, fall into panic by evening. They say: well, our county will probably cease to exist too. This fear is unwarranted, because before we carry out any important task, we discuss it with the people first, we collect the experiences, and only then do we begin to act. Therefore, we may say that we were capable of carrying out great tasks in the past three years, and those interested agreed with us.

It is very gratifying and healthy that the content of everyday Party life and Party work is constituted by the Party's political, economic and cultural tasks. This is good, and in the future we must strive to make it even more so: in the activities of the Party organizations in the future let economic and cultural work play an even greater role. If this kind of content permeates Party work, then education, organization and even the paying of membership dues will go in proper order. We are somewhat in the same way with the paying of membership dues—if you will pardon the comparison—as we were one time with the pledging of government loans. For years the Party membership, together with the most resolute non-Party workers, did nothing for a whole month but deal with the pledging of loans, and the only result of the whole thing was that in the last years of the loans about 700 to 750 million forints were added to the state's circulating fund. Since this ended we have gained a full month for genuine Party

work. Perhaps this is the reason why the work is going better. Those 700 to 750 million forints are also raised somehow; one plays on the state lottery, another plays on the football pools, and a third just simply puts his money in the savings bank. Generally there is order in the country, and if the regime is strong, if the currency is stable, if people live normally, then there is no need to argue with them about something that they will cheerfully overfulfil fivefold and sixfold of their own accord.

But let us return to dues paying. People with a strict conscience, particularly those who work in the Party's Financial Department, have become accustomed to working with figures and to seeing that those are in order. In 1957 and 1958 I read the report on the trend in dues paying from month to month, and I would always find the strict conclusion: in at least six Budapest districts and six counties dues paying has dropped as compared to the previous month. I studied the figures again. But all I saw there was something like this: 97.8, 98.2, 99.6 per cent. I took out the previous month's report, and truly enough there was a decline of two tenths—in other words there had been a drop. But let us think a little! Globe-trotting is on the upswing, many comrades travel abroad either officially or at their own expense, for their own amusement. Some are ill or in hospital, or other reasons prevent them from paying membership dues promptly. Therefore, if the statistics show somewhere between 96 and 100 per cent, then everything is in order. We have already said that we would not set ourselves up to having one half the membership engage in collecting dues from the other half every month. This is not even necessary because the Party members regularly pay their dues.

As far as inner Party life is concerned, we may say that the Party is generally sound, strong and is fulfilling its historic task. In our thinking the awareness that the Party is not something for its own sake has struck deep roots. We may consider the Party as an instrument, a weapon. It is a pride of our Party that it is an instrument and weapon in the hands of the working class, the people, to achieve their historic aims. And our Party is fulfilling this task: it is governing the country by the will of the working class, in accordance with the militant aims of the working class. *But it does not rule, it serves the people.* I believe this ancient, feudal expression can remain in this context: *we are proud that we serve our working class and people.*

The opinion formed of Communists frequently changed during the past four decades. We still recall that in Horthy's time even our enemies respected the Communists because they were tenacious and struggled selflessly for the people.

The Communists need not be different from the rest of the people, they need not be anything

special—just people in the real sense of the term. Why must we talk about this? I think we cannot believe any man who says of himself that he became a Communist in order that he might suffer for the people, I do not believe that anybody with a normal human mind and feelings would commit himself to anything only to suffer. Communists are human beings. I am convinced that the writers and poets are somewhat right when they say: every man pursues the blue bird of happiness. I believe we do not have to be ashamed of the fact that the Communists are whole people, even in this respect: people seeking their own happiness. Still, there is a very essential difference between the Communists and individually thinking or selfish people. And that is that *the Communist can be happy only when he will be happy with every working man*. This is the enormous difference between Communists and individually thinking persons. I think that a man who likes to fill his stomach and can eat with zest when around him working people are hungry, does not deserve the name of man. At present the calorie level is satisfactory. You have heard that we have already surpassed Britain. The Communists too have a share in this good level. In my opinion there is in this no sin whatsoever, because the Communist is a man, but he is a man who cannot swallow a single spoonful of food with relish if another working man is hungry. *Let the Communist be like this—such a man, a whole man.*

We need not stand over people, nor under them! We must become worthy of the name “whole man.” If such an opinion develops—and I hold that after the three years of work there already exists such a public opinion—that the Communist is looked upon as a man who thinks and labours for a common cause; and if this is said about us by non-Communists, then I believe, Comrades, that this is our highest praise.

Comrade Prieszol said they have decided to work in such a way that never again must there be an honest man who fears the Communists. This is a correct, praiseworthy decision and is in conformity with the present actual situation. In our country people regard the Communist as their friend to whom they can sincerely turn with their questions and problems for advice and assistance. What is good is that honest people not only do not fear the Communists but like them and seek their company too, and dishonourable scoundrels do fear them indeed. For those whom everyone likes cannot be good Communists.

Permit me to say a few words about our system. In this Congress hall nobody criticized, nobody attacked the system; therefore, it does not have to be defended. But there are questions with which there is no harm in dealing. In the

report of the Central Committee—that was my duty—I annoyed the delegates with ample statistics. The statistical data reflect the results of our system. But statistics cannot convey their real essence, their taste.

Before long the people's power will be 15 years old. During this time we carried out such changes and achieved such results that, for example, young people cannot imagine what the situation of a working-class child or a poor villager's child was like in the old world.

One who has lived under capitalism knows it completely differently from a young person who has only been told about it. If he listens carefully and thinks, of course he will understand its essence. But he cannot feel and see it. The absconders, for example, have gathered very valuable experiences for us too. What kind of things they object to abroad is quite revealing. From these it appears that we have generally cured them of capitalism. A young worker wrote from Austria and, as it was, implored us to allow him to come home. He wrote about only one grievance, but it gives food for thought. He wrote that he had received some kind of job in a factory. He had wanted to ask his foreman something, and had begun to say it. But the foreman had interrupted him saying: after the shift is over, in the office! He could not finish the sentence. Then at the end of the shift he went up to the office. There an office attendant told him to take off his cap and hold it in his hand. He went into the room, and there the foreman spoke to him, but he had to stand while the foreman was seated. This is all that the letter was complaining about. When this young, 20-year-old man spoke to one of his superiors in our country, he received a reply in a human manner. Whatever mistakes there were in our regime, the worker had grown accustomed to being treated like a human being.

But we have other kinds of results too. For instance, the children. Let our guests visit Hungary, Budapest or the countryside, say, on a sunny spring day. They might even go to the smallest village. It is worth looking at our children of three or four scampering about to the great irritation of the kindergarten teacher. In the past it was the children of aristocrats and bankers who lived like this. Now the situation is different. This too is part of our regime. In the past the children of workers and poor peasants went barefoot, in winter they shivered from cold, and quite often their mother put them to bed saying: “*My son, the bread is already asleep.*” Yes, those children fell asleep hungry and weeping. Not one, but ten thousand, a hundred thousand children lived like this in Hungary in those days. And how do the children live now in our country? Are there in this country any children whose mother has to say

to them: *"My son, the bread is already asleep?"* There are none like this in our country. Comrades, *if this were the only result of the 40-year struggle of our Party and the 15 years of our people's power, then we could say: this was worth fighting for and making every sacrifice for.*

These children are not only in good condition physically, but they are developing differently from the past mentally too. On April 4th, when we laid wreaths on the monument to Soviet heroes, there were some little kindergarten children present there. We went over to them and I asked one group, by way of a joke: Where do you work, children? One of them, a boy of about three and a half, looked at me and said: In the heavy industry. I was taken aback. What's that? Then this tiny young man consciously explained to me that he went to the kindergarten of some heavy industrial trust.

Or yesterday, for example, I got a few stalks of beautiful and willingly given flowers undeserved and cheap. The pioneers of the Ilona Zrínyi school had been waiting for two days to meet Comrade Khrushchov. Then they asked me when Comrade Khrushchov would be here, and since I could not tell them they honestly told me that they would have liked to give these flowers *"to Uncle Khrushchov,"* but since he was not here, they gave the bouquet to me.

I agree with Comrade Komócsin and Comrade Óvári—the embittered and youngest delegate to the Congress, who said she would like to be the oldest—in what they spoke about the youth in general. It is proper to emphasize outright that anyone who lumps together the whole of our youth and says they were all counter-revolutionaries, and now they are hooligans, is either mad or a scoundrel. Everybody knows who are working in our brigades. Hundreds of thousands of our young people are working splendidly in production, and they stood their ground in the Hanság and in other kinds of voluntary work. We practically have to go searching for marshes, because these people will gradually have drained everything. Naturally there are some among them who are not like this. But among adolescent boys it may easily happen that if you tell them they are well-behaved, they may be ashamed of it, and if you tell them they are rogues, they may be proud of it. They may easily become addicted to all kinds of silliness, gaudy shirts, and other things. This is a disease of young people, but it is of a temporary nature; this is not typical of the youth.

In the period before the elections we visited Budapest and the countryside with various groups of the Central Committee. As we would get started, about five minutes later at least thirty secondary-school youngsters would spring up in the street, I don't know where from,

but the fact is they were there. I would ask them: *"Where are you going, boys?"* *"Nowhere, we just happened to be around."* *"All right, then, bye-bye."* Half an hour later they would still be tagging along beside us. They are observing, listening, and at the meetings they keep their ears open and are interested in what is going on, but they are a bit ashamed of being decent kids. We must help them not to be ashamed of being decent. And these young people—let's admit it honestly—know their way around in the realm of the newest technological and scientific achievements better than we do. Our young people are training themselves better and better, their spheres of interest are constantly expanding, they are becoming more and more skilled and cultured. Can we not rely on this youth? This youth is our pride, we consider it a great achievement to have such a youth. This in itself was worth the Party's four decades of struggle, it was worth fighting for this youth.

The women have also been liberated in the Hungarian People's Republic; this too is a great achievement of our regime. Our Central Committee holds the view that we have to enforce the equal rights of women, as guaranteed by law, fully and in every sphere of life. Women now live differently from the old world. Once on a May Day we met working women of the Hemp and Jute Factory. I told them that in 1931 I had held an illegal meeting in front of their factory. Many working women attended it. I still remember you, I even recall one or two faces. Who was then 30 years old looked 50, and now those who are 50 look 30. Yes, a 30-year-old working woman in those days was an old woman in the true sense of the word. Not only because she wore a black kerchief, but because she was crushed and crippled, body and soul. Look around in our country today: the women have been liberated and become human beings.

If the four decades of our Party's struggle, and the fifteen years of our People's Republic had no other achievement than this, Comrades, then too we could say: it was worth working and struggling for.

Comrade Dobi said that the Hungarian question would not be decided by the UN, but by the Hungarian people. And truly, how was a worker in the factory, or a simple peasant in the village, allowed to have his say, for example, 30 years ago? Now the workers, peasants, engineers, technicians, teachers, professors are sitting here in this hall, they are in Parliament and wherever the affairs of the country are settled. It is they who say what should happen in this country!

This is our social system, this is our achievement, and if we had not accomplished anything else, Comrades, this too was worth the struggle.

As far as our future work is concerned, we must preserve the purity of the Party's fundamental principles, Communist steadfastness, because so long as these exist we need not fear any difficulties. The tasks are great, but our strength is great too. Our people are familiar with our Party's political line, they agree with it and approve of it. We are struggling and advancing together with the masses. We are struggling together with our Soviet brothers and the international working class. And as to questions regarding Hungary, they will not be decided in the UN in the future either, but here in Hungary—at the Party Congress, in Parliament, in the Central Committee—the representatives of the Hungarian working people, our working people, will decide them.

Our Congress has been given considerable importance abroad. From the *Pravda* to the papers of the fraternal British and French Parties and to the organ of the Communist Party of Indonesia, the whole friendly press has taken a stand in our favour. The comrades wrote what their representatives also related here in words, that they concurred with our struggle, they expressed their solidarity with us, that they were pleased to see our results. You may have observed, they also told us to be careful, not to be self-complacent, not to commit any foolishness, and then no force whatever could stand in our way.

There has also been another kind of response. A capitalist response. This response is rather varied. In the capitalist press there are some reasonable, sensible voices, and there are others. In fact, there are in the West some crestfallen prophets who are now in an embarrassing position and would like to get out of it by talking nonsense.

The following happened: A month ago predictions were issued that at the beginning of the Congress Kádár would announce the withdrawal of the Soviet troops from Hungary. Later they said: "He will announce it at the end, not at the beginning." Then when they began to get a feeling from the indications that we would

not make such an announcement, they said: "Khrushchov will announce it." They have got themselves so worked up about it that now they are at a loss on how to continue. The first step towards a way out was taken by the good old *Daily Herald*, which wrote the following: "Kádár's announcement regarding the Soviet troops caused a great surprise among the delegates."

Now let us get it clear, Comrades, while we are together. Was it really a great surprise? This did not cause any surprise to our masses. They know that the Soviet troops are in our country under the Warsaw Treaty, and they know that this question is our own affair and concerns us exclusively.

What our further progress needs is to intensify the great élan of the masses for the speeding up of socialist construction. Let us carry out our plans, let us work out our new Five Year Plan and establish its solid foundations. This is the task. Let us plan even more conscientiously, let us work with even greater devotion than up to now, and in the future let us preserve that community spirit which has developed today in the Party and in this country.

I am very confident that the task submitted in the first two items of the agenda will become reality; in fact, if we work well, these aims will be attainable sooner and at a higher level than scheduled. The main duty of the Party, of the Communists is to see that the possibilities for progress do not remain unexploited, and that we do not take any adventurous, inconsiderate leaps. We should not take up tasks which, considering our resources, are not realistic. If we observe these principles in the future too, and if the Central Committee ensures their realization throughout the Party and in state leadership, then the aims outlined here and—permit me to put it this way—adopted by the Congress with one accord, will materialize.

I ask you, Comrades, in my own behalf and in Comrade Fock's behalf to accept our reports and to adopt the draft resolution.

RESOLUTION ON THE FIRST AND SECOND ITEMS OF THE AGENDA OF THE SEVENTH CONGRESS OF THE HUNGARIAN SOCIALIST WORKERS' PARTY

The Congress heard and discussed Comrade János Kádár's address, "Report of the Central Committee of the Hungarian Socialist Workers' Party and the Tasks of the Party," and Comrade Jenő Fock's report entitled "Directives for Solving the Economic Tasks and Drafting the Second Five Year Plan" and unanimously adopted the following resolution:

The Congress takes notice of the reports of the Central Committee, it approves and endorses the policy pursued by the Central Committee since the beginning of November 1956, and instructs the new Central Committee to continue pursuing this policy.

The Congress also takes notice of, approves and endorses, the principles and activity of economic policy followed by the Central Committee since the beginning of November 1956, as well as its proposals for the further tasks of economic work.

The Congress adopts as resolutions the documents entitled "Theses of the Central Committee of the Hungarian Socialist Workers' Party for the Seventh Congress of the Party" and "Theses of the Central Committee of the Hungarian Socialist Workers' Party concerning the Economic Tasks and the Drafting of the Second Five Year Plan." The directives contained in the documents are obligatory and serve as instructions for all members of the Party; let the comrades working in Party and state bodies see that they are enforced. At the same time the Congress instructs the Central Committee and calls upon the Government to take steps, relying on the directives, to prepare the Five Year Plan and submit it to Parliament for approval in due time.

The political and economic theses published in our Bulletins Nos. 3 and 4, 1959, and in the Bulletin entitled "Documents for the Seventh Congress of the HSWP" have been adopted as resolutions.

LEADING ORGANS OF THE HUNGARIAN SOCIALIST WORKERS' PARTY

MEMBERS OF THE CENTRAL COMMITTEE

György ACZÉL
worker, First Deputy of the Minister of Culture

István ANTOS
economist, Minister of Finance

Antal APRÓ
worker, First Deputy Chairman of the Council of Ministers

Ágnes BAKÓ
worker, First Secretary of the Eighth District Party Committee, Budapest

Valéria BENKE
teacher, Minister of Culture

András BENKEI
worker, First Secretary of the Szabolcs County Party Committee

Béla BISZKU
worker, Minister of the Interior

Béla BLAHA
worker, General Secretary of the Miners' Trade Union

Attila BORKA
worker, Deputy Chairman of the Central Commission of Popular Control

János BRUTYÓ
worker, General Secretary of the Central Council of Trade Unions

Lajos CZINEGE
worker, First Secretary of the Szolnok County Party Committee

Mrs. Ferenc CSERVENKA
worker, Secretary of the Budapest Party Committee

Lajos CSETERKI
teacher, First Secretary of the Fejér County Party Committee

Gyula DABRONAKI
worker, First Deputy Minister of Food Supplies

Iván DARABOS
sculptor, First Secretary of the Zala County Party Committee

István DOBI
agricultural labourer, President of the Presidential Council of the People's Republic

Imre DÖGEI
agricultural labourer, Minister of Agriculture

Lajos FEHÉR
professor, Secretary of the Central Committee of the H. S. W. P.

Jenő FOCK
worker, Secretary of the Central Committee of the H. S. W. P.

Lajos FODRÓCZI
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